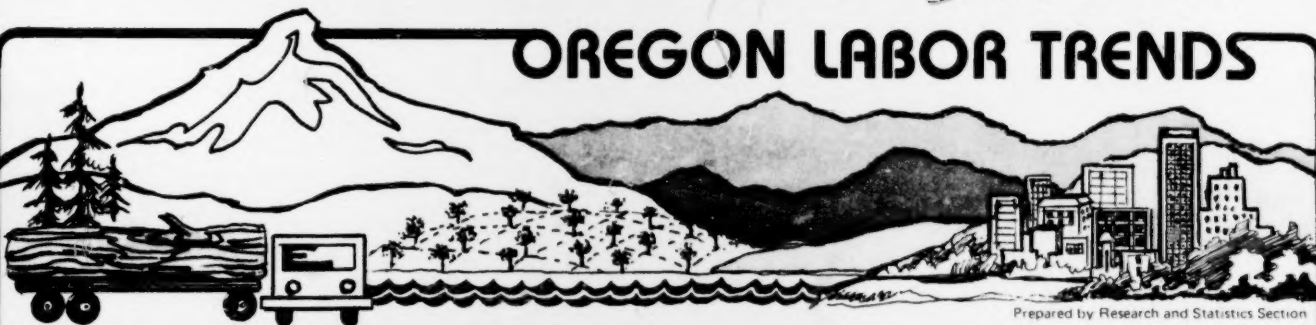


OREGON LABOR TRENDS



STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

Prepared by Research and Statistics Section

May 1983

APRIL INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Raw
Apr. '83	10.4	11.2
Mar. '83	11.0	12.2
U.S.		
Apr. '83	10.2	10.0
Mar. '83	10.3	10.8

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
Apr. 1983:	101.4
Mar. 1983:	101.4
Apr. 1982:	103.2
Apr. 1981:	110.0
Apr. 1980:	112.2
Apr. 1979:	111.4

DIFFUSION INDEX

Oregon	
Apr. 1983:	48.1
Mar. 1983:	46.9
Feb. 1983:	45.7
Jan. 1983:	44.2

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Mar. 1983:	38.6
Feb. 1983:	38.3
Mar. 1982:	37.4

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland SMSA

Mar. 1983	284.7
Year Change	- 0.7%

U.S.

Apr. 1983	295.5
Year Change	3.9%

Portland Hotline 221-4132

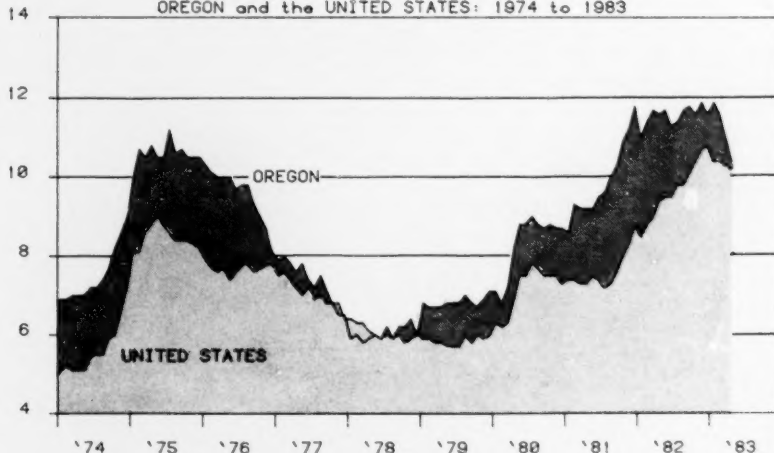
ECONOMY ON THE MEND

Oregon's economy, which is closely tied to the national home-building market, seems to be mending as inflation declines and interest rates gradually drop. While the national seasonally adjusted unemployment rate fell by only one-tenth of a percentage point to 10.2%, Oregon duplicated its previous month's performance by dropping six-tenths of a percentage point to 10.4%. This is welcome news and considerably better than April 1982 when the seasonally adjusted rate dropped only one-tenth to 11.6%.

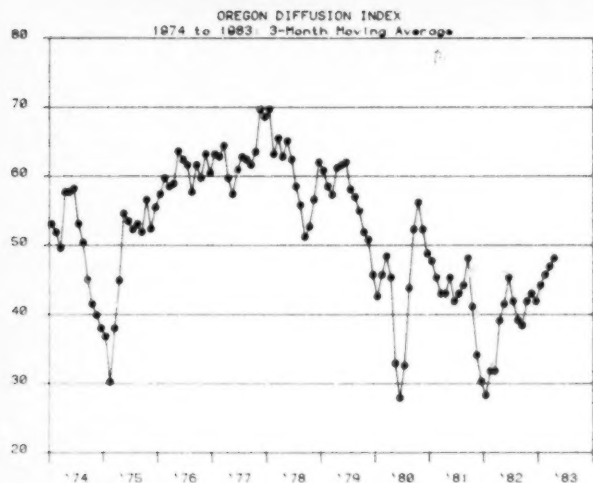
Another bright spot was the diffusion index, sometimes thought of as an index of hiring. April's index rose to 48.1 from 46.9 in March and is a full 9 points above the 39.1 for April of last year. This index, which is the percentage of selected industries showing an increase in seasonally adjusted employment, is considered an important leading economic indicator. As it rises, expectations of economic recovery are more likely to be fulfilled.

Among these positive signs was one note of caution. The wage and salary employment index, which is the ratio of current seasonally adjusted wage and salary employment to the average wage and salary employment of 1977, stayed at 101.4. The index is exactly where it was in March and below the 103.2 of April 1982. This means that the current wage and salary employment is not much higher than it was in 1977. However, the simple fact that the index remained level rather than declining could be a positive sign. Every year since 1979 this index has declined between

SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1974 to 1983



*Civilian Labor Force Only



March and April. This year's leveling out between March and April may be the bottoming out of this index's long term decrease and a portent of a recovery in Oregon's employment.

In manufacturing, lumber and wood products registered the strongest employment gains for the third straight month. Increased activity is due to more building and wholesalers beginning to rebuild inventories. Some lumber mills, which in the recent past were temporarily closed or working reduced hours, are now reportedly working in excess of 90% of capacity. Also the rise in prices of wood products have acted as a stimulus for increased production.

Furniture and fixtures increased by 300 as consumer confidence improved and product demand increased. Stone, clay, glass and concrete production employment climbed to 3,200 in April as construction expanded and the demand for construction materials increased.

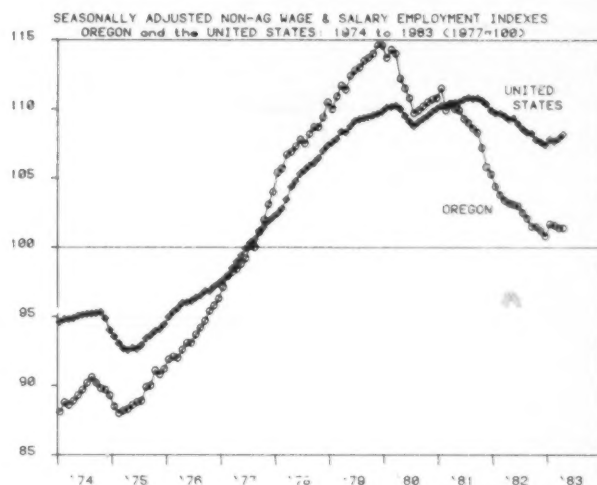
Transportation equipment showed a sharp decline in employment between March and April. Nearly all of the 500 decrease is attributed to the completion of a major contract with the Navy, which forced a Portland area firm to cut back on its work force.

Food and kindred products posted a net employment decrease of 100. Canning and preserving, which fell 400, suffered from reduced repacking activity in western Oregon and the temporary closure of a potato processing line in eastern Oregon. Offsetting this was a 300 increase in other food products, mostly due to increased activity in seafood processing. Even though food and kindred had a net monthly loss of 100 jobs, it still was an improvement of 600 over its April 1982 level.

Construction showed a substantial month to month increase in employment (+1,700). Most of this gain was in heavy construction and structural steel work. The increase in heavy construction was primarily due

to increased activity in highway and street projects which expanded with improved weather. Residential construction, by contrast, showed very little increase in monthly employment. Even with a healthy boost of 1,700 new employees, in April, the construction industry remained depressed at 2,000 below April 1982's employment.

Trade accounted for most of nonmanufacturing's net gain in employment between March and April. More than half of this gain was in other retail trade where eating and drinking places increased employment by 1,100. Food stores increased by 400. Most of retail trade showed healthy increases in employment over last April with only auto dealers and service stations showing continued signs of recession. In wholesale trade, auto parts and supplies (+300) had the largest gains followed closely by lumber and construction materials (+200).



Government showed the largest declines, both monthly (-2,000) and yearly (-6,000), of any sector. These declines are in part a reflection of a continuing decline in public resources. The largest single monthly drop was in local education (-700), which was largely due to fluctuations in student employment in community colleges as spring term started.

In summary, the employment news in April is good with the unemployment rate coming down sharply, the diffusion index rising, and the wage and salary employment index at least holding steady. On the other hand the low level of the wage and salary employment index means that seasonal employment is little improved over what it was in 1977 and wage and salary employment is still 16,900 below a year ago.

On the national scene, there is some question as to whether this recovery will be kept alive with very large federal deficits looming on the horizon. If the credit needs of the private sector and the federal government collide in the money markets and interest rates and inflation once again get out of hand, Oregon's recovery could be painfully short. □

THE EMPLOYER'S CORNER

Twenty Job Service Employer Committees (JSEC's) have been formed to advise and critique the performance of their local employment office. In cooperation with the local JSEC's (pronounced JaySec), each issue of the Oregon Labor Trends will feature an article of special interest to employers.

Thousands of young men and women are now searching for summer jobs - but the prospects of finding employment are dim for many of these job seekers. Help is on the way this summer as Oregon employers have a cost effective tool for hiring summer help through the Targeted Jobs Tax Credit Program (TJTC).

The concept is simple. Employers who hire certified disadvantaged summer youth between the ages of 16 and 17 years of age, are eligible for a Federal tax credit equaling 85 % on the first \$3,000 in wages paid in any 90 day consecutive period between May 1 and September 15.

This program has two valuable attributes: First it gives employers a chance to guide young people into and through the world of real work. Second, it minimizes an employer's financial risk during these times of economic stress. This program is an asset to employers and also serves as a hiring incentive. All Oregon employers are encouraged to further investigate the advantages of participating in this program.

Contact the nearest local Oregon State Employment office or call 1-800-452-7813, ext. 8-4390 for further information.□

ELIGIBLE HIGH UNEMPLOYMENT AREAS

Local jurisdictions determined as areas of high unemployment will be entitled to assistance through a \$5 billion Federal jobs bill. This federal act calls for funding projects in areas of high unemployment (average unemployment rate not less than 90% of the national rate for the previous 12 months). This jobs bill is in addition to the labor surplus area preference for employers bidding on Federal procurement contracts. In Oregon, only Benton, Gilliam, Sherman, and Washington counties do not qualify. Eligible jurisdictions are:

Baker County	Lane less Eugene City
Clatsop County	Eugene City
Columbia County	Malheur County
Coos County	Marion less Salem City
Crook County	Morrow County
Curry County	Clackamas less Portland City
Deschutes County	Multnomah less Portland City
Douglas County	Polk less Salem City
Grant County	Portland City in Clackamas and
Harney County	Multnomah Counties
Hood River County	Salem City
Jackson County	Tillamook County
Jefferson County	Umatilla County
Josephine County	Union County
Klamath County	Wallowa County
Lake County	Wasco County
Lincoln County	Wheeler County
Linn County	Yamhill County □

1982 UNEMPLOYMENT RATES BY COUNTY

Revised March 1983

	Civilian Labor Force	Employ- ment	Unemployment Number	Rate
Oregon	1,316,000	1,164,000	152,000	11.5
Portland MSA	659,100	592,600	66,500	10.1
Eugene MSA	130,600	114,300	16,300	12.5
Salem MSA	124,600	111,600	13,000	10.4
Medford MSA	63,350	54,170	9,180	14.5
Baker	7,500	6,250	1,250	16.7
Benton	33,310	31,150	2,160	6.5
Clatsop	15,480	13,540	1,940	12.5
Columbia	16,120	14,140	1,980	12.3
Coos	27,560	23,630	3,930	14.3
Crook	5,650	4,640	1,010	17.9
Curry	7,300	6,110	1,190	16.3
Deschutes	31,040	26,110	4,930	15.9
Douglas	40,370	33,370	7,000	17.3
Gilliam	870	820	50	5.7
Grant	3,570	2,840	730	20.4
Harney	3,440	2,960	480	14.0
Hood River	8,450	7,200	1,250	14.8
Jefferson	5,510	4,950	560	10.2
Josephine	23,820	20,210	3,610	15.2
Klamath	26,610	22,890	3,720	14.0
Lake	3,530	3,090	440	12.5
Lincoln	18,910	16,750	2,160	11.4
Linn	40,500	34,430	6,070	15.0
Malheur	12,670	11,390	1,280	10.1
Morrow	5,110	4,580	530	10.4
Tillamook	10,000	8,420	1,580	15.8
Umatilla	28,860	25,440	3,420	11.9
Union	11,200	9,760	1,440	12.9
Wallowa	3,870	3,430	440	11.4
Wasco-Sherman	12,110	10,570	1,540	12.7
Wheeler	610	550	60	9.8
Yamhill	29,600	26,070	3,530	11.9

For monthly and industry detail, contact your local labor economist or call (503) 378-8657.□

HOURS AND EARNINGS - DOWN THE ROAD CALLED RECOVERY

More and more signs of economic recovery are beginning to appear as we approach summer. More important though, expectations for continued improvement are gaining momentum. Signs of optimism directly impacting Oregon's economy include declining interest rates and an awakening in homebuilding activity. It looks like lean inventories coupled with rising consumer spending have started the wheels of recovery rolling. Coming full circle then, increased business activity will translate into heftier paychecks and so further stimulate consumer spending. However, not all areas of the state's economy will share equally in rising prosperity. This is as yet a housing led recovery and immediate gains most likely will be limited to the forest products sector and its allied industries.

Production activity for March continued its upward beat toward what appears to be a sustained recovery for Lumber & Wood Products. Weekly hours rose another .2, while production worker employment

RESIDENT OREGON LABOR FORCE

	<u>1/</u> Apr. 1983	<u>2/</u> Mar. 1983	Change	% Change	<u>5/</u> Apr. 1982
Civilian Labor Force <u>3/</u>	1,333,000	1,325,100	+ 6,900	+0.5	1,318,200
Unemployment	148,700	161,600	-12,900	-8.0	161,700
Percent of Labor Force	11.2	12.2	xxx	xxx	12.3
Seasonally Adjusted Percent	10.4	11.0	xxx	xxx	11.6
Total Employment <u>4/</u>	1,184,300	1,164,500	+19,800	+1.7	1,156,500

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	<u>1/</u> Apr. 1983	<u>2/</u> Mar. 1983	Apr. 1982	Change From Mar. 1983	Apr. 1982
TOTAL <u>3/</u>	943,100	938,600	960,000	4,500	-16,900
Wage & Salary Employment Index <u>4/</u>	101.4	101.4	103.2	xxx	xxx
Diffusion Index <u>5/</u>	48.1	46.9	39.1	xxx	xxx
Total Manufacturing	179,700	178,500	180,900	1,200	- 1,200
Durable Goods	130,100	129,400	131,800	700	- 1,700
Lumber & Wood Products	60,000	59,100	53,200	900	6,800
Logging & Sawmills	30,400	30,100	27,200	300	3,200
Veneer & Plywood	18,300	18,100	16,200	200	2,100
Millwork & Structural Wood	6,300	6,000	5,100	300	1,200
Mobile Homes	1,800	1,700	1,400	100	400
Other Wood Products	3,200	3,200	3,300	0	- 100
Furniture & Fixtures	2,900	2,600	2,200	300	700
Stone, Clay, Glass, & Concrete	3,200	3,000	3,300	200	- 100
Primary Metals	7,100	7,000	8,800	100	- 1,700
Blast Furnaces, Iron & Steel	3,900	3,800	4,800	100	- 900
Nonferrous Metals	3,200	3,200	4,000	0	- 800
Fabricated Metals	8,400	8,400	9,600	0	- 1,200
Fabricated Structural Metals	3,300	3,300	3,600	0	- 300
Other Fabricated Metals	5,100	5,100	6,000	0	- 900
Machinery	14,600	14,600	17,200	0	- 2,600
Electrical Equipment & Supplies	9,100	9,200	10,100	-100	- 1,000
Transportation Equipment	7,000	7,800	8,000	-800	- 1,000
Instruments & Related Products	15,400	15,400	16,900	0	- 1,500
Miscellaneous Manufacturing	2,400	2,300	2,500	100	- 100
Nondurable Goods	49,600	49,100	49,100	500	500
Food & Kindred Products	20,300	20,400	19,700	-100	600
Canning & Preserving	10,300	10,700	9,900	-400	400
Other Food Products	10,000	9,700	9,800	300	200
Textile Mill Products	1,600	1,600	1,800	0	- 200
Apparel	2,800	2,700	2,700	100	100
Paper & Allied Products	9,300	9,200	9,700	100	- 400
Printing & Publishing	10,100	10,000	10,000	100	100
Chemicals & Allied Products	2,100	2,000	2,200	100	- 100
Petroleum Refining	500	500	400	0	100
Rubber & Plastic Products	2,600	2,400	2,300	200	300
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Apr. 1983	Mar. 1983	Apr. 1982	Change From	
				Mar. 1983	Apr. 1982
(cont.)					
Total Nonmanufacturing	763,400	760,100	779,100	3,300	-15,700
Mining & Quarrying	1,300	1,200	1,700	100	- 400
Construction	25,700	24,000	27,700	1,700	- 2,000
Transportation, Communications, & Utilities	55,400	55,100	56,400	300	- 1,000
Transportation	31,500	31,300	31,400	200	100
Railroad	5,700	5,600	6,300	100	- 600
Trucking & Warehousing	16,300	16,100	15,200	200	1,100
Other Transportation	9,500	9,600	9,900	- 100	- 400
Communications	14,900	14,900	16,000	0	- 1,100
Utilities	9,000	8,900	9,000	100	0
Trade	235,600	232,900	235,400	2,700	200
Wholesale Trade	59,400	58,800	62,800	600	- 3,400
Durable Goods	35,500	34,800	37,800	700	- 2,300
Nondurable Goods	23,900	24,000	25,000	- 100	- 1,100
Retail Trade	176,200	174,100	172,600	2,100	3,600
General Merchandise	23,700	23,600	23,000	100	700
Food Stores	27,400	27,000	25,600	400	1,800
Auto Dealers & Service Stations	21,300	21,300	21,500	0	- 200
Other Retail Trade	103,800	102,200	102,500	1,600	1,300
Finance, Insurance, & Real Estate	63,200	63,100	65,700	100	- 2,500
Banking & Credit Agencies	23,300	23,300	24,200	0	- 900
Other Finance, Insurance, & Real Estate	39,900	39,800	41,500	100	- 1,600
Services	185,500	185,100	189,500	400	- 4,000
Hotels & Personal Services	21,200	21,300	23,400	- 100	- 2,200
Health Services	65,200	65,100	65,200	100	0
Other Services	99,100	98,700	100,900	400	- 1,800
Government	196,700	198,700	202,700	-2,000	- 6,000
Federal Government	28,300	28,700	28,600	- 400	- 300
State Government	52,100	52,900	51,900	- 800	200
Education	22,400	22,800	22,600	- 400	- 200
Other State	29,700	30,100	29,300	- 400	400
Local Government	116,300	117,100	122,200	- 800	- 5,900
Education	74,500	75,200	77,500	- 700	- 3,000
Other Local	41,800	41,900	44,700	- 100	- 2,900
Labor-Management Disputes	200	200	100	0	100

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier Index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

climbed 1,100 over the month. The swelling work force has held down hourly earnings as lower paid workers returned to work. However, this expectation has been at least partially supplanted by strong increases in overtime hours and pay in Logging & Sawmills and Millwork & Structural Wood. Overtime hours for Millwork & Structural Wood rose 37%. The market's ability to sustain itself during the poor weather conditions experienced in March is testimony to rising confidence in the economy.

Economics is largely grounded on expectations and right now expectations are for the rest of Durable Goods to be "grounded". Improvements have been limited to industries related to home building and maintenance. Such was the case in Fabricated Metals, where demand for these products along with metal cans, and cutlery equipment prompted a 1.3 jump in average weekly hours. This is the largest such increase since the 1950's. On the flip side, the outlook was not quite as rosy as the workweek for Primary Metals fell .4 hour with curtailment of overtime hours by producers of aluminum and rare metals. This drop overshadowed modest improvements in steel and castpart producers where price increases for selected products were enough to spark some

improvement in production activity. Machinery also fell on rougher times with a .7 decline in weekly hours due to weakness in electronic computing equipment. Total production worker employment for the durable sectors, less Lumber & Wood Products, has fallen 5,000 over the year. So while there are some bright spots, the general outlook is less than favorable.

Nondurable goods sprang back following February's dismal performance to recover most of its lost workweek hours. Again, however, due to the industry composition such swings in the workweek average are not cause for alarm or, for that matter, too much celebration. March saw weekly hours fall sharply in Textiles (-1.5) and Apparel (-1.2). Influencing factors for both these industries are hinged in part on the strength of the dollar overseas which has lowered the price of competitive products. Reversing a long slide in prices for pulp has had some impact in weekly hours worked in Paper & Allied Products. The resultant increase in overtime prompted an \$.18 rise in hourly earnings. For some firms the increase in price pushed production back over to the profit side of the ledger. Packaging materials gained most from the improvement. Demand for newsprint remains sluggish but is improving as

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS-1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Mar. 2/ 1983	Feb. 3/ 1983	Mar. 1982	Mar. 2/ 1983	Feb. 3/ 1983	Mar. 1982	Mar. 2/ 1983	Feb. 3/ 1983	Mar. 1982
TOTAL MANUFACTURING 4/	\$399.90	392.58	370.63	38.6	38.3	37.4	10.36	10.25	9.91
Durable Goods	412.26	407.29	378.89	39.3	39.2	37.7	10.49	10.39	10.05
Lumber & Wood Products	429.32	426.38	381.02	39.9	39.7	37.1	10.76	10.74	10.27
Logging & Sawmills	458.05	459.55	404.06	39.9	40.1	36.9	11.48	11.46	10.95
Veneer & Plywood	430.52	424.66	385.06	40.5	40.1	38.2	10.63	10.59	10.08
Millwork & Struct Wood	318.01	313.50	303.21	38.5	38.0	36.4	8.26	8.25	8.33
Mobile Homes	322.81	274.86	245.36	40.1	34.4	32.2	8.05	7.99	7.52
Other Wood Products	401.19	405.47	352.76	38.8	39.1	36.9	10.34	10.37	9.56
Furniture & Fixtures	249.55	247.68	196.80	35.0	34.4	24.6	7.13	7.20	8.00
Primary Metals	497.30	491.10	493.29	38.7	39.1	40.6	12.85	12.56	12.15
Fabricated Metals	378.62	370.63	361.49	38.4	37.1	37.0	9.86	9.99	9.77
Machinery	401.30	403.10	382.21	37.4	38.1	37.0	10.73	10.58	10.33
Nondurable Goods	363.91	351.91	348.07	36.5	35.8	36.6	9.97	9.83	9.51
Food & Kindred Products	293.86	295.68	303.73	33.7	33.6	35.4	8.72	8.80	8.58
Canning & Preserving	221.43	222.65	247.57	30.5	30.5	34.1	7.26	7.30	7.26
Other Food Products	401.28	396.43	373.80	38.4	37.9	36.9	10.45	10.46	10.13
Textile Mill Products	218.96	225.20	199.65	36.8	38.3	36.3	5.95	5.88	5.50
Apparel	192.74	200.39	180.20	35.3	36.5	34.0	5.46	5.49	5.30
Paper & Allied Products	542.15	515.44	488.82	41.8	40.3	40.6	12.97	12.79	12.04
Printing & Publishing	414.07	372.03	376.57	36.1	34.1	34.9	11.47	10.91	10.79
Construction 4/	506.69	532.33	519.42	31.2	31.8	33.0	16.24	16.74	15.74
Communications & Utilities 5/	446.20	441.90	436.69	38.8	38.9	40.1	11.50	11.36	10.89
Trade 5/	272.97	273.36	276.55	33.7	33.5	34.1	8.10	8.16	8.11
Wholesale Trade	359.78	366.00	368.45	36.9	37.5	38.5	9.75	9.76	9.57
Retail Trade	229.19	226.49	225.70	32.1	31.5	31.7	7.14	7.19	7.12
Banking & Insurance	264.29	258.08	236.08						
State & Local Government	301.19	306.15	289.35						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

overseas inventories are whittled down. Printing and Publishing enjoyed a flurry of activity as work loads climbed dramatically to meet print orders for corporate annual reports. Because of the short term nature of the workload, firms are normally apt to increase overtime rather than hire workers. As a result, average weekly hours climbed 2.0 and hourly earnings rose \$.56, while production worker employment remained unchanged. This surge is expected to slow sometime in April.

Much of the nation is experiencing what may be called a peppy recovery in housing starts. However, Oregon's Construction activity has yet to rebound, partly because of the state's population losses. Also, wet weather conditions have slowed or delayed many planned projects. Another contributing factor with long term implications is the high vacancy rate for office building space. The net result has been a .6 drop in weekly hours for total Construction. Hours fell most in Masonry related work and Heavy Construction. Hourly earnings also fell \$.50 with the curtailment of premium

pay following completion of a major insulation and acoustical application project.

Positive trends in total Manufacturing are encouraging but a word of caution is still warranted. Total production worker employment currently stands 22.3% below that of March 1979. As yet, this is a housing recovery with a large share of the benefits falling on that select group associated with wood products here in Oregon.

The narrow based recovery is evident in the lack of any significant improvement in Trade activity. To be sure, some areas are revving up...but? Weekly hours pushed their way higher by .2, while hourly earnings fell \$.06. Retail Trade did the pushing on both counts on the strength of more hours in General Merchandise and Food Stores. The addition of new, lower paid employees (+400) also prompted much of the decline in hourly earnings. While expectations for expanding demand in remodeling and home construction has had an impact on some wholesale traders, the overall trend has not been so favorable.□

INDUSTRIAL CHANGE - Part two

In last month's Oregon Labor Trends, the article "Industrial Change" pointed to Oregon's shifting industrial structure. The article noted that during the early 1950's, 67% of Oregon's workers were employed in the service producing industries (i.e. Transportation, Trade, Services, Finance). By the early 1980's, 75% of the workers were employed in these same industries.

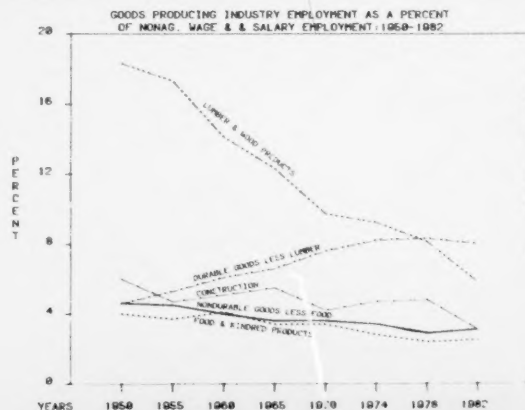
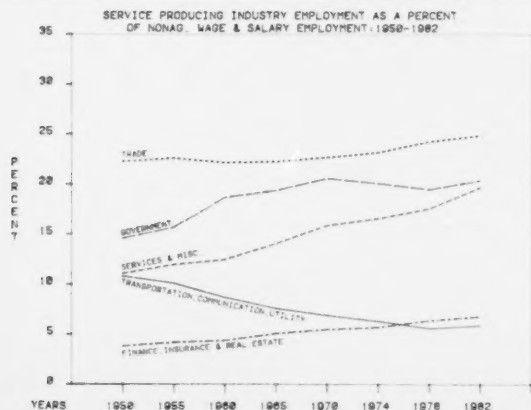
This steady trend away from goods producing industries (i.e. lumber, paper, machinery, transportation equipment, building) was largely due to developments in labor saving technology over the last 30 years.

Of equal importance, however, was the social adjustment that took place over the period. As industrial mechanization in the 1950's increased so too did productivity. The resultant increase in earnings encouraged much higher consumer spending with an increasing proportion of the family budget being filtered into service related industries.

So as the employment share of goods producing industries declined, a counter balancing increase in the service producing employment share took place to meet consumer demands. Even the goods producers found advantages in service oriented activities in the increasingly complex society. Today a larger portion of product costs are due to service related activities (i.e. advertising, legal, financial, research) than 30 years ago.

But not all industries shared equally in Oregon's shifting economic structure. The two graphs depict the changing relative share each industry group has had since 1950. Please note that total nonagricultural industry employment more than doubled during this period; however, not all industries grew at the same pace.

Among the goods producing industries, two trends are significant. First, the Lumber & Wood Product employment share dropped like a rock. Second, only one industry group, Other Durable Goods (less Lumber & Wood Products), increased in its share of the



total. Conversely, the service producing industries, with the exception of Transportation, Communication, & Utilities, all gradually increased their employment share over the last 30 years.

Even in 1979, Oregon's latest "good" year, employment in Lumber & Wood Products barely moved above the 80,000 mark set in 1950. Technological advances throughout the period significantly decreased the amount of labor required to produce a finished product in this industry. The oldest sector, Logging & Sawmills, received the most benefit from the labor saving machinery. Here, employment in 1979 was 41,900 compared to 65,600 in 1950. Still, Oregon remains the nation's leading producer of lumber.

The rest of Durable Goods employment (excluding Lumber & Wood Products) bucked the downward trend of other goods producing industries on the back of five industries - Primary Metals, Fabricated Metals, Machinery, Electrical Equipment, and Instruments & Related Products. Of these, the last three relatively new industries benefited from the tremendous growth in computer and related technological advancements. Cheap electrical power aided both Fabricated & Primary Metals in increasing their share in the aerospace, lumber-related, aluminum, and food processing equipment markets.

Oregon's ever important Food Products sector, like Lumber & Wood Products, started as a very labor intensive industry. However, it too has benefited from advanced technology, but not nearly to the same extent as Lumber & Wood Products. In recent years, changing consumer tastes and new competition has also served to lessen Oregon's share of the market.

Construction's sensitive nature is illustrated in the accompanying graph. Although an overall downward trend exists, this industry was not without its ups and downs. In-migration, coupled with low interest rates and increased government programs served to create two boom periods since 1950. The latest, between 1970 and 1978, ended as interest rates soared.

In exact contrast with the goods producing sector, four of the five service activity industries increased their share of total industry employment - the exception being Transportation, Communication and Utilities. Of the positive directed industries, all can attribute their increasing employment share to increased consumer well-being which resulted in a change in spending habits. The lone exception, Transportation, Communication and Utilities, all heavily regulated industries, experienced little growth until the 1970s when they shared in the economic prosperity. However, their employment share declined, mostly in Transportation, as better equipment and roads, and larger more efficient firms emerged requiring fewer workers to produce the same output.

The remaining private industries - Trade, Finance, Insurance and Real Estate, and Services - excelled as both consumer and business demand increased their market share. Business demand increased in the Finance, Insurance, Advertising, Legal and Research sectors, while consumer demand increased the in Health, Real Estate and Recreation sectors.

Increased emphasis in both education and social programs served to increase Government's share of the pie. Education was affected two ways, the baby boom added a significant number of students into the class room and the trend toward more education kept them there longer. Social programs ranging from subsidized veteran home loans to medicare aid for the elderly inflated employment in the noneducation sectors.

In Oregon's changing economy, structural shifts will continue through the 1980s. Although the changing proportion of both service producing and goods producing industries are expected to maintain their current trend, some sectors will benefit more than others. Impressive gains are expected for those engaged in high technology, information and business services, and recreation. Government, on the other hand, will see a declining share of the pie if current developments continue. □

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

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OREGON LABOR TRENDS



STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

Prepared by Research and Statistics Section

JUNE 1983

MAY INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Raw
May '83	10.0	10.2
Apr. '83	10.4	11.1
U.S.		
May '83	10.1	9.8
Apr. '83	10.2	10.0

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
May 1983:	101.3
Apr 1983:	101.5
May 1982:	103.1
May 1981:	109.9
May 1980:	111.5
May 1979:	112.4

DIFFUSION INDEX

Oregon	
May 1983:	49.6
Apr. 1983:	50.0
Mar. 1983:	46.9
Feb. 1983:	45.7

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
Apr. 1983:	39.1
Mar. 1983:	38.6
Apr. 1982:	37.2

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland SMSA

May 1983	288.5
Year Change	2.3%

U.S.

May 1983	297.1
Year Change	3.5%

Portland Hotline 221-4132

OREGON JOBLESS RATE FALLS

The decline in Oregon's unemployment rate in May reflects the increasing strength of the economic recovery. For the first time in nearly five years Oregon's unemployment rate fell below that of the nation.

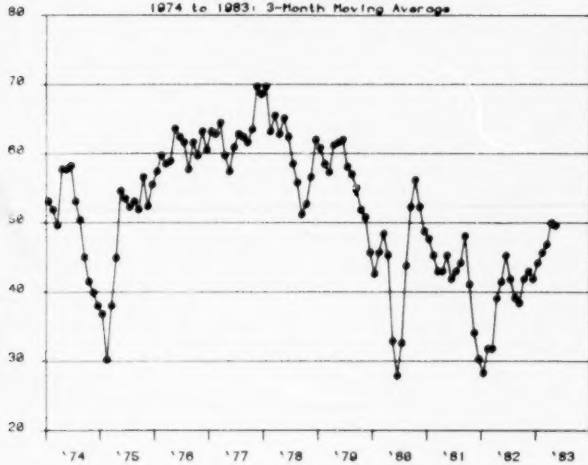
Oregon's good news came as a result of a decrease in the count of unemployed workers (-12,000) combined with an increase in total employment (+20,100). Although some increase is expected during this time of the year due to favorable seasonal considerations, the numbers still show significant improvement over May 1982.

Certainly the performance of the diffusion index over the year is encouraging. While this leading economic indicator slumped at 41.5 in May 1982, this year's April revised and May index stood at attention with 50.0 and 49.6 respectively. When this index shows 50.0, half of the 43 industries that comprise the index show seasonally adjusted employment gains. It is important to note that the size of each industry was not a consideration in its being chosen for the index. So, a very large industry, such as services with 185,900 employees, carries no more weight than a smaller industry such as logging and sawmills with only 31,700 employed. Instead, sensitivity to the change in the business cycle was the selection criterion. Hence, recent increases in the index show us the recovery is becoming more widespread. Not only are more industries hiring, but gains in these industries foretell others will follow.



*Civilian Labor Force Only

OREGON DIFFUSION INDEX
1974 to 1983: 3-Month Moving Average



Nonagricultural payroll employment, which includes almost all wage earners but excludes farm workers, nonpaid family workers, and the self employed, grew 5,300 last month. This was the biggest increase since September 1982. Almost all the growth occurred in the nonmanufacturing sectors (+4,900) with little overall change in manufacturing (+400).

Employment in Trade climbed 1,800 to fall in line with normal seasonal expectations. Consumers appear to have regained much of their confidence and are making their presence felt in the shops and showrooms.

Improvement was noted in all areas of Construction (+1,600). The number of building permits for single family residential housing rose to 546 in May from 531 in April and 363 from a year ago. Even with this year's healthy increase, the 546 permits look pale compared to 1,062 for May 1980 and 2,489 for May 1978.

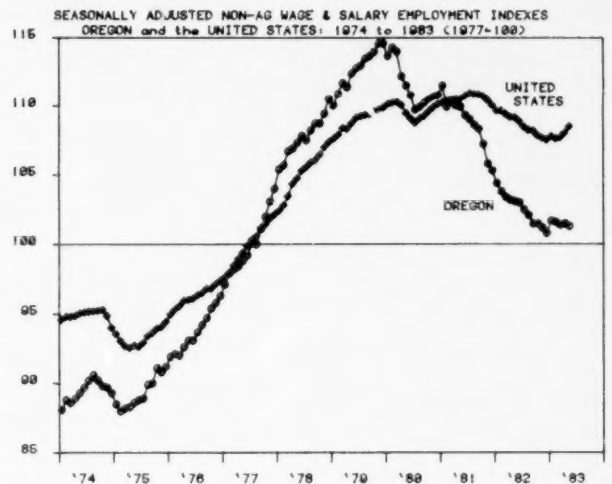
Home building activity pushed employment in Oregon's Lumber & Wood Products manufacturing 1,300 higher in May. Unfortunately, this gain was 200 less than seasonally expected. This hesitation in normal seasonal gains was partially the result of uncertainties stemming from pending labor negotiations and legislation concerning timber harvest contracts. Sawmill activity still remained strong as demand and prices continued to climb. U.S. builders started work on new housing at an annual rate of 1.79 million units, up from 1.5 million in April. The increase put housing starts at their highest since the 1.8 million units of September 1979.

Combined losses for Instruments & Related Products and Machinery exceeded 700. Layoffs and other labor turnover by high-tech and related industries accounted for about half of the loss. A labor dispute affecting 300 machinery workers added to the decline. Several Other Durable Goods industries also demonstrated declining employment opportunities due to a slowdown in domestic energy exploration activity. Manufacturers appear wary of committing too much too soon on capital spending projects.

Food Processing is following its "normal" roller coaster employment pattern. Canning & Preserving fell 600 after a stronger than normal winter. Curtailments at potato processing plants accounted for a large share of the loss.

While employment in Mining & Quarrying is still far short of prior employment levels, demand for rock products has spurred a 200 increase in employment. Increasing demand comes from public works and road building activities.

Truck Transportation moves Oregon's lumber and wood products to processing and then to market. As a result of the strong rebound in lumber products activity, employment in trucking and warehousing climbed 300 over April.



You may ask why the industry employment data are not responding with the same vigor as total employment. The number of nonfarm payroll jobs climbed 5,300 since April and 17,400 since January while total employment increased 20,100 and 73,000 respectively. Certainly part of any difference is because data for the two series are collected from different sources. The prime mover of the total resident employment series is a survey of households while the industry data by work place are from a sample of employers. What really may be causing the divergence of the two series in this case however, is that the payroll employment does not include farm workers, self-employed, unpaid family workers, and domestics. The latter three categories, especially, are ones that will expand as workers look for alternatives to payroll employment. This can be shown using national data. While together these categories have expanded nearly 6% from January through April, the other nonfarm categories rose less than 1.5%.

Economists do not expect the economic recovery to translate into a quick drop in unemployment. This is evident in the April-May changes in employment and unemployment. If in May, the loss of unemployment had been the same as the gain in employment (+20,100), the unemployment rate would have fallen to 9.6% rather than to 10.2%. One reason this did not and will not occur is because of the

discouraged worker phenomenon. As the recovery matures, people who had been too discouraged to look for work will become more optimistic and may reenter the labor force at a faster pace than the economy can produce jobs. During the first quarter of 1983 there were 1.8 million discouraged workers in the U.S. according to the U.S. Department of Labor. Oregon's share of these discouraged workers may number 24,000, about one for every six unemployed workers.

The fact that employment has been on the upswing does not mean that jobs are plentiful. Jobs continue to be scarce and competition for openings tough. Many workers are still on layoff lists waiting to be recalled; others will never be recalled as some

businesses have permanently reduced their work force or closed their doors. Employers will likely be slower to increase their labor force than in past recoveries as there is a lot of concern about its longevity. Employers aren't going to add workers until they are sure it is justified by a rise in business.

Overall, this May economic report is encouraging. The 1983 recovery is beginning to show some strength. Although the unemployment rate will remain high, the trend is definitely towards recovery. Even the most dyed-in-the-wool pessimist would have a hard time foreseeing any direction but up this summer.□

OREGON LOSES POPULATION

Oregon lost population from mid-year 1981 to mid-year 1982. The loss was estimated at 4,550, or nearly two persons per thousand. It was the first year-to-year population decrease Oregon has ever recorded. Loss of jobs during the long recession was the cause.

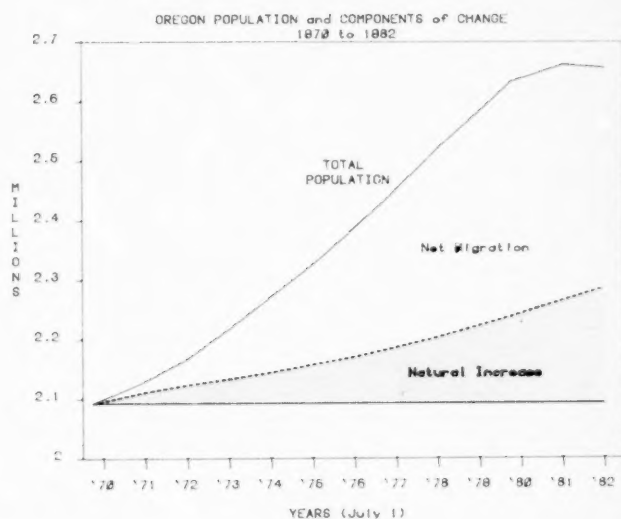
The Oregon Center for Population Research and Census, the source of these estimates, separates change in population into two components: natural increase and net migration. Natural Increase is defined as births minus deaths. The annual rate of natural increase averaged six persons per thousand during the 1970s, and has quickened in the 1980s to nearly eight persons per thousand as the Baby Boom generation enjoys its prime child-bearing years.

Net Migration, the more volatile component, is defined as the number of people who move in - that is, change their places of residence to Oregon - minus the number who move out. Net in-migration averaged 26 persons per thousand per year during the 1970s, slowing only slightly during the mid 1970's recession, and peaking in 1978.

In late 1980, after nearly a year of recession, the influx of people slowed with unexpected suddenness. By the middle of 1981 more people were leaving Oregon than coming here to live. This was the first year of net out-migration recorded in Oregon's history.

The recession continued to deepen, and the outflow of people quickened to a pace at which it outweighed natural increase. Mid 1981 to mid 1982 was the first known 12-month period of population loss since Oregon's first settlers arrived. Loss of population appears to have continued through the second half of 1982 as well.

This turn of events is illustrated in the following population graph. The upper line shows the growth - and recent decline - of Oregon's total population. The shaded portion of the graph illustrates what Oregon's population would be if there had been no net migration since 1970. The upper wedge, between the dotted and solid lines, represents the count of net migrants.



Among the 50 states, Oregon has gone quickly from being one of the more rapid population gainers to being one of the fastest population losers. During the 1970s only eight states grew more rapidly than Oregon. From mid 1980 to mid 1981, net out-migration held Oregon's growth to the lowest level of any western state. From mid 1981 to mid 1982 Oregon's rate of population loss was second only to Michigan's according to the U.S. Bureau of Census.

Oregon's image has progressed during the last few decades from "someplace out west" to "a great place to live". During the 1970s Oregon's livability spoke louder than the fact that Oregon's unemployment rate was higher than the nation's throughout the 1970s. Yet people from other states continued to move to Oregon.

It has taken a long deep recession, in which Oregon has been hit sooner, harder and longer than most other states, to reverse the migration flow.

RESIDENT OREGON LABOR FORCE

	May 1983	April 1983	Change	% Change	May 1982
Civilian Labor Force <u>3/</u>	1,341,500	1,333,400	+ 8,100	+0.6	1,330,000
Unemployment	136,400	148,400	-12,000	-8.1	155,900
Percent of Labor Force	10.2	11.1	xxx	xxx	11.7
Seasonally Adjusted Percent	10.0	10.4	xxx	xxx	11.7
Total Employment <u>4/</u>	1,205,100	1,185,000	+20,100	+1.7	1,174,100

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT (By Place of Work)

INDUSTRY	May 1983	April 1983	May 1982	Change From April 1983	May 1982
TOTAL <u>3/</u>	949,200	943,900	965,800	+5,300	-16,600
Wage & Salary Employment Index <u>4/</u>	101.3	101.5	103.1	xxx	xxx
Diffusion Index <u>5/</u>	49.6	50.0	41.5	xxx	xxx
Total Manufacturing	180,500	180,100	182,800	400	-2,300
Durable Goods	130,500	129,800	133,000	700	-2,500
Lumber & Wood Products	61,200	59,900	54,800	1,300	6,400
Logging & Sawmills	31,700	30,700	28,300	1,000	3,400
Veneer & Plywood	17,900	17,900	16,600	0	1,300
Millwork & Structural Wood	6,400	6,300	5,300	100	1,100
Mobile Homes	1,900	1,800	1,300	100	600
Other Wood Products	3,300	3,200	3,300	100	0
Furniture & Fixtures	2,800	2,800	2,200	0	600
Stone, Clay, Glass, & Concrete	3,600	3,400	3,500	200	100
Primary Metals	7,100	7,100	8,400	0	-1,300
Blast Furnaces, Iron & Steel	3,900	3,900	4,600	0	-700
Nonferrous Metals	3,200	3,200	3,800	0	-600
Fabricated Metals	8,400	8,400	9,400	0	-1,000
Fabricated Structural Metals	3,300	3,300	3,500	0	-200
Other Fabricated Metals	5,100	5,100	5,900	0	-800
Machinery	14,300	14,600	16,900	-300	-2,600
Electrical Equipment & Supplies	9,200	9,200	10,100	0	-900
Transportation Equipment	6,900	7,000	8,400	-100	-1,500
Instruments & Related Products	14,700	15,100	16,900	-400	-2,200
Miscellaneous Manufacturing	2,300	2,300	2,400	0	-100
Nondurable Goods	50,000	50,300	49,800	-300	200
Food & Kindred Products	21,000	21,400	20,200	-400	800
Canning & Preserving	10,700	11,300	10,100	-600	600
Other Food Products	10,300	10,100	10,100	200	200
Textile Mill Products	1,600	1,600	1,800	0	-200
Apparel	2,700	2,700	2,800	0	-100
Paper & Allied Products	9,300	9,300	9,700	0	-400
Printing & Publishing	9,900	10,000	10,000	-100	-100
Chemicals & Allied Products	2,100	2,100	2,200	0	-100
Petroleum Refining	500	500	400	0	100
Rubber & Plastic Products	2,600	2,400	2,400	200	200
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	May 1983	April 1983	May 1982	Change From	
				April 1983	May 1982
(cont.)					
Total Nonmanufacturing	768,700	763,800	783,000	+4,900	-14,300
Mining & Quarrying	1,400	1,200	1,900	200	- 500
Construction	27,200	25,600	29,500	1,600	- 2,300
Transportation, Communications, & Utilities	55,400	55,300	56,700	100	- 1,300
Transportation	31,600	31,500	31,700	100	- 100
Railroad	5,700	5,700	6,300	0	- 600
Trucking & Warehousing	16,500	16,200	15,500	300	1,000
Other Transportation	9,400	9,600	9,900	-200	- 500
Communications	14,800	14,900	16,000	-100	- 1,200
Utilities	9,000	8,900	9,000	100	0
Trade	237,000	235,200	237,300	1,800	- 300
Wholesale Trade	59,500	59,100	62,300	400	- 2,800
Durable Goods	35,500	35,400	37,400	100	- 1,900
Nondurable Goods	24,000	23,700	24,900	300	- 900
Retail Trade	177,500	176,100	175,000	1,400	2,500
General Merchandise	24,100	23,700	22,800	400	1,300
Food Stores	27,600	27,400	26,100	200	1,500
Auto Dealers & Service Stations	21,500	21,300	21,700	200	- 200
Other Retail Trade	104,300	103,700	104,400	600	- 100
Finance, Insurance, & Real Estate	63,500	63,200	65,500	300	- 2,000
Banking & Credit Agencies	23,300	23,300	24,000	0	- 700
Other Finance, Insurance, & Real Estate	40,200	39,900	41,500	300	- 1,300
Services	185,900	185,900	188,600	0	- 2,700
Hotels & Personal Services	21,200	21,300	23,300	-100	- 2,100
Health Services	65,100	65,100	65,300	0	- 200
Other Services	99,600	99,500	100,000	100	- 400
Government	198,300	197,400	203,500	900	- 5,200
Federal Government	28,300	28,100	29,400	200	- 1,100
State Government	53,000	52,800	52,000	200	1,000
Education	22,600	22,600	22,600	0	0
Other State	30,400	30,200	29,400	200	1,000
Local Government	117,000	116,500	122,100	500	- 5,100
Education	75,000	74,700	77,100	300	- 2,100
Other Local	42,000	41,800	45,000	200	- 3,000
Labor-Management Disputes	500	200	300	300	200

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier Index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

Availability of jobs and migration trends are closely related, usually with a time lag. Most families do not move immediately when the bread winner loses a job. An area whose unemployment rate jumps one year is most likely to sustain a population outflow the following year. The unemployment rate then eases as unemployed people leave the area.

The first job losses of the recession occurred in primary industries, especially construction and wood products, due to spiraling interest rates and other problems that were national in scope. A few people moved out as soon as they saw no immediate job prospects. This first group to pull up stakes was predominately young and included many of those who had recently migrated into Oregon. Most families whose breadwinners lost jobs tried to wait out this slump, living from savings, odd jobs, and maybe temporarily from unemployment benefits. When people felt they must move to greener pastures they went either to where jobs were more plentiful or "back home", which for many meant out of Oregon.

As local populations decreased, support industries - trade, services and others - lost customers and income. Employers also tried to hold on, first shortening hours, then laying off employees. In some cases they finally went out of business. As the tax base shrunk, so did school and other government employment.

Thus jobs and population went on a downward spiral during the long period of hard times for local basic industries. It has been the length of this recession, as much as the depth, that has caused the radical change in Oregon's population trend.

MIGRATION OF UI CLAIMANTS

Unemployment Insurance (UI) information can be used to answer some questions about what types of unemployed people leave Oregon and where they go.

Just under 5% of all Oregon's UI claimants sent in their claims from out of state, during the first quarter of 1983. The likelihood of an unemployed person's leaving Oregon has varied with the person's occupation. Jobless people in services and "white collar" occupations have been a bit more likely to move away than people with "blue collar" occupations in manufacturing, construction, agriculture and other basic industries.

Percent of Oregon UI Claimants
in Each Occupational Group
who have Moved out of State
1st Qtr. 1983

All Occupations	4.8%
Prof., Tech. & Mgmt.	5.2
Clerical & Sales	5.0
Service	5.8
Farming, Fishing & Forestry	3.5
Processing	4.7
Machine Trades	3.6
Benchwork	4.0
Structural Work	3.8
Miscellaneous	4.8

There may be several reasons for this. The skills involved in "blue collar" jobs often do not transfer as easily to new jobs as "white collar" job skills. Social skills developed in most professional, technical, management, service, clerical and sales occupations can make moving less traumatic. Also, older workers in wood products, fishing and other basic industries are more accustomed than others to waiting out hard times.



Most of the UI claimants who leave Oregon looking for jobs have not been going very far. As the map shows, over two-thirds of the out-migrating UI claimants have moved to a bordering state. Only about one in four moved more than 1,000 miles.

OUTLOOK: MORE JOBS, MORE PEOPLE

Oregon's population growth will gradually resume as economic conditions improve. A net outflow of people is likely to continue through most of 1983, but provided a moderate recovery does materialize in Oregon this year, the flow of people will turn positive again by 1984.

Oregon's population growth for the decade of the 1980s is forecasted at 12%, or a little less than 12 persons per thousand per year. This would include natural increase continuing at eight persons per thousand annually and average net migration of four persons per thousand.

Our overall growth for the 1980s is expected to be a bit more rapid than the nation's. The extremely rapid inflows of the 1970s are not expected to return during this decade.□

HOURS & EARNINGS – THE RECOVERY: TAKING ROOT?

Expectations about the health of the economy continue positive as more and more signs indicate recovery is beginning to put down roots and take hold. In Oregon, recovery is primarily dependent upon lower interest rates. Already, lower mortgage rates have sparked national home building and subsequent employment gains in the lumber industry and promoted slight improvement in retail sales of "big ticket" items such as major appliances and home furnishings.

The addition of 2,000 Manufacturing production workers to the payroll caused a drop of \$.12 in average hourly earnings. Even with these additional workers, there was a .5 increase in average weekly hours in April. The number of production workers remained 1,700 below the year ago level but average weekly hours climbed 1.9 and average hourly earnings rose \$.32. Lumber prices continue to move upward

compared to a year ago - stimulating production activity. Mills are operating at or very near capacity for those currently operating. The level of activity is evidenced by the 40.3 average weekly hours reported for the industry. This is up .4 hours over March. Hourly earnings have remained relatively stable (\$.03) in spite of extensive production worker gains due to the level of overtime worked.

One area where consumers are beginning to show interest in big ticket items is Furniture & Fixtures. While weekly hours fell slightly, hourly earnings climbed \$.15. More good news is that the decline in weekly hours resulted from the recall of workers throughout the industry. Production worker employment has climbed 9% during the month and over 40% above last year. Optimism is not as evident

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS ^{1/}

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Apr.2/ 1983	Mar.3/ 1983	Apr. 1982	Apr.2/ 1983	Mar.3/ 1983	Apr. 1982	Apr.2/ 1983	Mar.3/ 1983	Apr. 1982
TOTAL MANUFACTURING ^{4/}	\$399.60	\$399.12	\$368.28	39.1	38.6	37.2	\$10.22	\$10.34	\$9.90
Durable Goods	414.72	412.91	374.12	39.8	39.4	37.3	10.42	10.48	10.03
Lumber & Wood Products	432.42	429.32	370.55	40.3	39.9	36.4	10.73	10.76	10.18
Logging & Sawmills	464.94	458.05	385.56	40.5	39.9	35.7	11.48	11.48	10.80
Veneer & Plywood	431.58	430.52	377.50	40.6	40.5	37.6	10.63	10.63	10.04
Millwork & Struct Wood	317.77	318.01	295.01	38.8	38.5	35.5	8.19	8.26	8.31
Mobile Homes	333.33	322.81	274.21	40.7	40.1	35.2	8.19	8.05	7.79
Other Wood Products	412.27	403.51	378.28	40.3	39.1	38.6	10.23	10.32	9.80
Furniture & Fixtures	253.34	249.55	220.74	34.8	35.0	28.3	7.28	7.13	7.80
Primary Metals	486.46	499.89	487.58	38.7	39.8	39.9	12.57	12.56	12.22
Fabricated Metals	392.83	380.00	354.86	39.8	38.5	35.7	9.87	9.87	9.94
Machinery	406.29	400.93	383.72	37.9	37.4	37.4	10.72	10.72	10.26
Nondurable Goods	357.27	361.82	351.44	37.1	36.4	36.8	9.63	9.94	9.55
Food & Kindred Products	294.48	289.78	306.16	36.4	33.5	35.6	8.09	8.65	8.60
Canning & Preserving	222.18	219.51	247.81	35.1	30.7	33.9	6.33	7.15	7.31
Other Food Products	395.75	396.14	380.02	38.2	37.8	37.7	10.36	10.48	10.08
Textile Mill Products	217.93	218.96	190.63	37.0	36.8	35.9	5.89	5.95	5.31
Apparel	192.95	192.74	173.96	36.2	35.3	32.7	5.33	5.46	5.32
Paper & Allied Products	542.84	542.15	498.04	41.0	41.8	41.4	13.24	12.97	12.03
Printing & Publishing	376.53	413.35	353.57	33.8	36.1	33.7	11.14	11.45	10.64
Construction ^{4/}	497.06	506.69	513.28	31.7	31.2	32.1	15.68	16.24	15.99
Communications & Utilities ^{5/}	444.29	446.20	405.00	38.6	38.8	38.1	11.51	11.50	10.63
Trade ^{5/}	278.80	272.97	275.95	34.0	33.7	33.9	8.20	8.10	8.14
Wholesale Trade	376.65	361.35	368.81	38.2	37.1	38.1	9.86	9.74	9.68
Retail Trade	231.68	229.19	223.34	32.0	32.1	31.5	7.24	7.14	7.09
Banking & Insurance	264.97	264.29	237.83						
State & Local Government	303.68	301.19	290.87						

^{1/} Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

^{2/} Preliminary

^{3/} Revised

^{4/} Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

^{5/} Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

elsewhere, however. Weekly hours for Primary Metals fell 1.1 from March 1983 and the production worker count dropped 1,400 from April 1982. The loss reflects the general weakness in market demand for Primary Metals.

Paper & Allied Products dropped .8 hour off its weekly average due to tight inventory controls still in effect. A \$.27 jump in hourly earnings reflects a 6.5% contracted wage increase which went into effect April 1. Costs associated with carrying excess inventory have accounted for several employers scheduling production according to immediate orders on hand thus causing swings in the level of activity reported. Increasing demand for flexible packaging material used in food processing is expected to push weekly hours higher in the coming months. With short-term work orders, mentioned last month, nearing completion, weekly hours for Printing & Publishing have declined.

Construction responded to more favorable weather conditions with a 1,600 increase in the number of production workers. The increase in lower paid workers suppressed average hourly earnings, which fell \$.56 for April. Residential and special trade construction employment reported the greatest increase in weekly hours while heavy construction reported the largest jump in persons called back to work.

Trade statistics showed slight improvements with Wholesale Trade gaining 1.1 in average weekly hours and average hourly earnings gaining \$.12 over March on the strength of hardware, and plumbing and heating equipment and supplies.

Increases reflected in Lumber & Wood Products and Furniture & Fixtures, demonstrate definite steps toward recovery but were partially offset by continued poor showings in the areas of Primary Metals and some Trade industries. While the recovery has set roots in parts of Oregon's economy, it certainly has not grown in strength to all areas. Only time will tell how far and how well it spreads.

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes
ATTN: R&S-LMI or Phone (503) 378-8657.

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THE EMPLOYER'S CORNER

Twenty Job Service Employer Committees (JSEC's) have been formed to advise and critique the performance of the local employment office serving their area. In cooperation with your local JSEC (pronounced JaySec), each issue of the Oregon Labor Trends will feature an article of special interest to employers.

Fran McLean, JSEC State Chairperson and publisher of the "Ontario Argus Observer" takes this opportunity to say:

"If you are looking for qualified employees both professional and nonprofessional, use your local State Employment office. My firm has hired a number of outstanding employees including a bookkeeper, editorial writer, advertising sales people and several production workers through the Ontario Employment Service office."

McLean also suggests you can look at only the best applicants by placing a classified ad in the local newspaper referring all applicants to the local employment office. The employment office will take the applications, do a pre-screening, and refer to you only those who best meet your qualifications.

LOCAL COMMITTEE ACTIVITIES

Most of the JSEC's are not meeting during the summer months. However, the following committees have scheduled workshops or seminars during the summer break.

Klamath Falls	Unemployment Insurance	July 20
Ontario	Employment Interviewing	Aug. 23
Baker	Employment Interviewing	Aug. 24
Springfield-Eugene	Employment Interviewing	Sep. 14

If you need additional information or wish to place a job order, contact your local Employment Service office. □

STATE OF OREGON
EMPLOYMENT DIVISION
DEPARTMENT OF HUMAN RESOURCES
875 UNION STREET N.E.
SALEM, OREGON 97311

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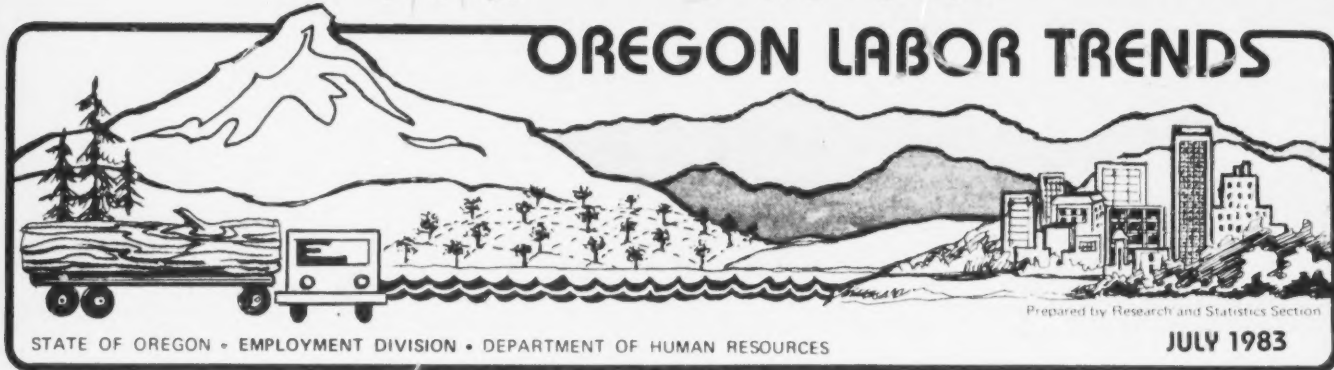
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ROBERTA B MASON
4520 EASTWEST HIGHWAY
BETHESDA MD

20814

8/8/83

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JUNE INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Raw
June '83	9.1	9.1
May '83	10.0	10.2
U.S.		
June '83	10.0	10.2
May '83	10.1	9.8

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
June 1983:	101.8
May 1983:	101.5
June 1982:	103.0
June 1981:	109.3
June 1980:	110.8
June 1979:	112.8

DIFFUSION INDEX

Oregon	
June 1983:	57.7
May 1983:	51.2
Apr. 1983:	50.0
Mar. 1983:	46.9

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
May 1983:	38.6
Apr. 1983:	38.3
May 1982:	37.4

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS

Portland SMSA	
May 1983	288.5
Year Change	2.3

U.S.	
June 1983	298.1
Year Change	2.6
Portland Hotline	221-4132

ECONOMY PICKS UP STEAM

The economy continued to build momentum during June in both Oregon and the nation. What started as a fairly weak recovery in early 1983 fueled mostly by a pick-up in national housing construction is now turning into a more robust and widespread recovery.

The combination of strong growth in the nation's money supply over the past year, lower unemployment, lower inflation, and lower interest rates, a surging stock market, reduced income taxes and record high tax refunds this spring seem to have finally convinced consumers that this is a good time to spend money - especially on consumer durable goods like autos, furniture, appliances, and other big-ticket items that are usually purchased on credit. Even though the pace of U.S. housing construction this year has been stronger than most analysts had expected, it is consumer spending accounting for approximately two-thirds of the nation's gross national product, which holds the key to the strength and durability of the recovery. On this score the second half of 1983 looks even better, since consumer confidence and retail sales are rising strongly in the nation.

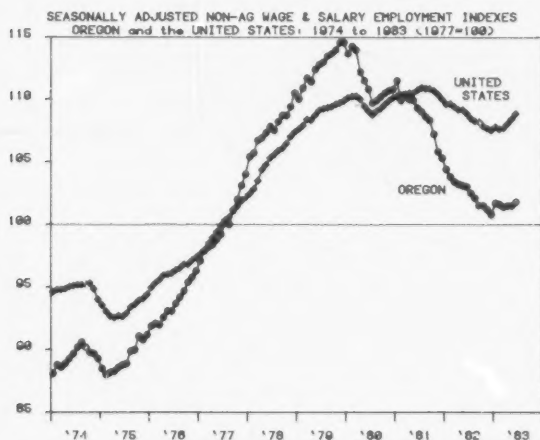
There are still many problems and concerns that worry economists, such as high unemployment, weak exports, record federal deficits in the \$200 billion a year range, and the recent uptrend in both short and long-term interest rates. But for now, the June economic reports provide some welcome rays of sunshine.



Nationally, for example, the unemployment rate dropped one tenth of a point in June to 10.0%. The U.S. rate has now dropped nearly one full point since December when unemployment hit a recession peak of 10.8%. Many other national indicators are also showing strength. This is reflected in two composite indicators prepared by the U.S. Department of Commerce. The "index of leading economic indicators", which is designed to foreshadow economic activity, has risen in each of the last 11 months, while the "index of coincident indicators" which tends to move simultaneously with the economy, has increased every month since February.

In Oregon, economic improvement also showed no signs of letting up in June. The state's seasonally adjusted unemployment rate plummeted nearly a full point to 9.1% in June from 10.0% in May. It was the second consecutive month in which Oregon's rate was below the nation's. Oregon's rate has dropped every month since January when 11.9% (seasonally adjusted) of the labor force was out of work. Oregon's raw unemployment rate also declined significantly in June (10.2 to 9.1) as the number of jobseekers fell by an unusually large amount (-12,100) despite an influx of over 24,000 people to the summer labor force.

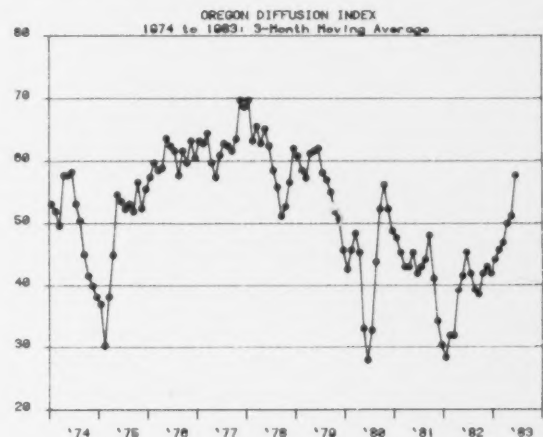
The major reason for the dramatic improvement in Oregon's unemployment picture so far this year is the strong rebound in housing construction nationally which drives Oregon's lumber and wood products industry. A secondary reason for the improvement however is that population out-migration from Oregon which began in 1981 is still occurring, although at a slower pace than in 1982. Last year about 25,000 more residents left the state for "greener pastures" than entered Oregon. This year the net outflow is expected to decline to around -10,000. Additional factors which will benefit the unemployment situation during the summer months are the drop in the number of young people in the population who would normally enter the labor force in June, the sharp expansion in agricultural and food processing activity, and the prospects of a better tourist season this summer.



Oregon's two major employment indicators reinforce the conclusion that the state's economic recovery is getting stronger and more broadly based. The seasonally adjusted nonfarm employment index, which is a good coincident indicator of the economy,

rose three tenths of a point to 101.8 in June - the highest level since last August.

Even more encouraging was the jump in Oregon's Diffusion Index to 57.7 in June from May's 51.2. It was the strongest gain in this leading economic indicator since early September 1980! The Diffusion Index measures the percent of some 43 industry categories that show seasonally adjusted employment gains.



Most of the improvement in June came in the manufacturing industries. Hiring activity was most evident in Food Products (+4,000), Lumber and Wood Products (+3,200), and Transportation Equipment (+900). Early harvests, particularly for strawberries and cherries, coupled with increased strawberry acreage this year pushed employment in food processing 1,700 higher than seasonally expected. Employment in agriculture alone surged by over 15,000 workers in June, the largest increase of any sector.

The lumber and wood products industry also continued to perform much better than expected. Employment, which rose 3,200 over the month, was 7,100 above last year's level. The surprising strength in national housing construction (starts reached annual rates of 1.799 million in May and 1.747 million in June) has encouraged many companies to reopen closed facilities, add shifts, and rebuild inventories. Citing improved economic conditions in the industry, the American Plywood Association recently announced it was discontinuing its series of weekly bulletins on mill closures and curtailments. Another beneficial development with respect to employment levels was the recent conclusion of labor negotiations with some major timber companies which will minimize wage cost pressures over the next three years.

Hiring activity was also on the rise in most other manufacturing industries in June. A 900 job gain in Transportation Equipment resulted primarily from new orders for ship repair work. In metals and machinery manufacturing 800 more workers were added reflecting stronger market demands and the temporary availability of lower cost surplus power to aluminum producers. As a result, seasonally adjusted employment in the Other Durable Goods manufacturing industries (excluding Wood Products) jumped by 2,000 in June. The only major manufacturing category losing jobs last month was the "high-tech" Instruments and Related Products sector which slumped by 200.

Employment trends in nonmanufacturing industries followed normal seasonal patterns for the most part. Two exceptions were Government (-1,100 seasonally adjusted) and Transportation, Communication, and Utilities (-900 seasonally adjusted).

Although construction employment rose seasonally by 1,400 in June, this industry continues to show a large (-3,400) job deficit compared to one year ago. The nationwide housing recovery has not as yet provided much of a boost in Oregon, probably because of continuing population out-migration and high vacancy rates, especially in multi-family housing units. Consequently, most of the job increase in June came in heavy construction, reflecting the acceleration of road construction and repair and other public works projects.

It is still too early to gauge the strength of tourism on Oregon's economy this summer. Employment levels in both Trade and Services, where most tourism-related jobs are found, rose about as expected in June. With consumer confidence and incomes rising, ample supplies of gasoline at reasonable prices, and recreational vehicle sales nationally now running well ahead of last year's pace, it seems likely that Oregon will experience a strong tourist season in 1983. Early indications from the state's six border information centers show that out-of-state visitor counts are up slightly through June compared to a year ago. Although Oregon's improving economy will help to boost in-state travel also, this summer's cooler, wetter weather may cause some visitors to limit their length of stay.

In summary, the latest economic barometers show that the recovery in Oregon and the nation is picking up steam. Although there is virtually no chance that the recovery will run out of gas in the second half of 1983, it is likely that the rate of improvement will begin to slow. The Federal Reserve has allowed the nation's money supply to grow very rapidly during the past year to encourage economic recovery. That emphasis is now changing to one of sustaining the recovery without reigniting inflation. As a result, interest rates have recently begun to rise slightly, including those for home mortgages. This trend, if it continues, represents the main threat to further economic recovery in Oregon. The FED's intent however is to ease back on the economic throttle, not apply the brakes.□

HOURS AND EARNINGS GUARDING THE OPTIMISM

While the rest of the country is building a foundation for recovery on lower interest rates, growing consumer spending and home building activity, Oregon continues to rely on its time honored forest products industry. Lower interest rates have been the key in providing for impressive gains in national housing starts. This in turn has given Oregon its much needed shot in the arm. How far and fast the state's economy goes will depend largely on external factors, such as interest rates, over which Oregon has little control.

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Many employers experience difficulty in reporting sick leave on their Quarterly Unemployment Insurance Tax Reports. Therefore, our topic this month will be the proper reporting, or perhaps we could say nonreporting of sick leave pay.

First, to report any sick leave pay you must have a plan which provides sick pay benefits for all employees. If you have such a plan, you may exclude payments made to employees while off work because of sickness.

In the quarterly Employer's Tax Report, simply deduct the sick pay from the individual employee's listed wage and remember to deduct the same amount from all figures used to compute the employer tax. In other words, the sick pay amount should not be included in any of the figures on the tax report.

The sick pay exclusion can mean a quarterly payroll tax savings. In addition, should an employee be terminated and file for unemployment, the lower reported wage could result in a lower weekly benefit amount. The amount of benefits paid directly affects your annual tax rate computation.

This is one of the ways to control your payroll tax expense.

DON'T FORGET

If you need additional information or wish to place a job order, contact your local Employment Service.

Stimulus in home building kept average weekly hours for Lumber & Wood Products above the 40 hour workweek for the second month. At 40.4, this is the highest May level since 1973. A broad-based buildup of inventories continued to push Logging & Sawmill and Veneer & Plywood production still higher. Each sector gained .1 in weekly hours, climbing to 40.6 and 40.7 respectively while employing 300 more production workers. Mobile Home production also displayed a surge in activity reflected by the 1.5 increase in weekly hours. Increased overtime and incentive pay pushed average hourly earnings \$.20 higher as well.

RESIDENT OREGON LABOR FORCE

	1/ June 1983	2/ May. 1983	Change	% Change	5/ June 1982
Civilian Labor Force 3/	1,367,900	1,343,600	+24,300	+1.8	1,352,000
Unemployment	124,800	136,900	-12,100	-8.8	150,900
Percent of Labor Force	9.1	10.2	xxx	xxx	11.2
Seasonally Adjusted Percent	9.1	10.0	xxx	xxx	11.3
Total Employment 4/	1,243,100	1,206,700	+36,400	+3.0	1,201,100

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	1/ June 1983	2/ May 1983	June 1982	Change From May 1983	June 1982
TOTAL 3/	966,700	950,800	978,500	15,900	-11,800
Wage & Salary Employment Index 4/	101.8	101.5	103.0	xxx	xxx
Diffusion Index 5/	57.7	51.2	45.3	xxx	xxx
Total Manufacturing	190,100	180,600	186,300	9,500	3,800
Durable Goods	135,700	130,700	134,600	5,000	1,100
Lumber & Wood Products	64,500	61,300	57,400	3,200	7,100
Logging & Sawmills	33,900	31,800	30,100	2,100	3,800
Veneer & Plywood	18,500	17,900	17,200	600	1,300
Millwork & Structural Wood	6,700	6,400	5,400	300	1,300
Mobile Homes	2,000	1,900	1,300	100	700
Other Wood Products	3,400	3,300	3,400	100	0
Furniture & Fixtures	2,900	2,800	2,300	100	600
Stone, Clay, Glass, & Concrete	3,600	3,600	3,600	0	0
Primary Metals	7,300	7,100	8,000	200	- 700
Blast Furnaces, Iron & Steel	3,900	3,900	4,200	0	- 300
Nonferrous Metals	3,400	3,200	3,800	200	- 400
Fabricated Metals	8,800	8,400	9,500	400	- 700
Fabricated Structural Metals	3,400	3,300	3,700	100	- 300
Other Fabricated Metals	5,400	5,100	5,800	300	- 400
Machinery	14,500	14,300	16,900	200	- 2,400
Electrical Equipment & Supplies	9,400	9,200	10,100	200	- 700
Transportation Equipment	7,800	6,900	7,500	900	300
Instruments & Related Products	14,500	14,700	16,900	-200	- 2,400
Miscellaneous Manufacturing	2,400	2,400	2,400	0	0
Nondurable Goods	54,400	49,900	51,700	4,500	2,700
Food & Kindred Products	25,000	21,000	21,800	4,000	3,200
Canning & Preserving	14,600	10,800	11,500	3,800	3,100
Other Food Products	10,400	10,200	10,300	200	100
Textile Mill Products	1,600	1,600	1,800	0	- 200
Apparel	2,800	2,700	2,800	100	0
Paper & Allied Products	9,600	9,300	9,800	300	- 200
Printing & Publishing	9,900	9,900	10,100	0	- 200
Chemicals & Allied Products	2,100	2,100	2,200	0	- 100
Petroleum Refining	500	500	500	0	0
Rubber & Plastic Products	2,600	2,500	2,400	100	200
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Change From				
	June 1983	May 1983	June 1982	May 1983	June 1982
(cont.)					
Total Nonmanufacturing	776,600	770,200	792,200	6,400	-15,600
Mining & Quarrying	1,600	1,400	1,900	200	- 300
Construction	28,400	27,000	31,300	1,400	- 3,400
Transportation, Communications, & Utilities	55,200	55,300	57,200	- 100	- 2,000
Transportation	31,400	31,500	32,200	- 100	- 300
Railroad	5,600	5,700	6,200	- 100	- 600
Trucking & Warehousing	16,300	16,400	16,200	- 100	100
Other Transportation	9,500	9,400	9,800	100	- 300
Communications	14,800	14,800	16,000	0	- 1,200
Utilities	9,000	9,000	9,000	0	0
Trade	240,800	238,100	240,600	2,700	200
Wholesale Trade	60,800	60,200	62,600	600	- 1,800
Durable Goods	36,100	35,800	37,400	300	- 1,300
Nondurable Goods	24,700	24,400	25,200	300	- 500
Retail Trade	180,000	177,900	178,000	2,100	2,000
General Merchandise	24,300	23,900	23,100	400	1,200
Food Stores	27,900	27,600	26,700	300	1,200
Auto Dealers & Service Stations	21,900	21,700	21,800	200	100
Other Retail Trade	105,900	104,700	106,400	1,200	- 500
Finance, Insurance, & Real Estate	64,000	63,600	65,300	400	- 1,300
Banking & Credit Agencies	23,400	23,300	23,900	100	- 500
Other Finance, Insurance, & Real Estate	40,600	40,300	41,900	300	- 1,300
Services	187,800	186,200	190,200	1,600	- 2,400
Hotels & Personal Services	21,700	21,300	23,500	400	- 1,800
Health Services	65,600	65,100	65,800	500	- 200
Other Services	100,500	99,800	100,900	700	- 400
Government	198,800	198,600	204,700	200	- 5,900
Federal Government	29,000	28,600	30,500	400	- 1,500
State Government	53,200	53,000	52,500	200	700
Education	22,400	22,600	22,600	- 200	- 200
Other State	30,800	30,400	29,900	400	900
Local Government	116,600	117,000	121,700	- 400	- 5,100
Education	74,000	75,100	75,400	-1,100	- 1,400
Other Local	42,600	41,900	46,300	700	- 3,700
Labor-Management Disputes	700	500	500	200	200

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

Hourly earnings in Construction fell \$.27, but for the right reasons, as 1,800 more workers were employed. Heavy construction had the greatest impact as improving weather conditions provided the opportunity for several firms to begin weather delayed projects. Residential builders, however, remain cautious about overbuilding due to a still too large backlog of unsold homes. This factor coupled with concerns about interest rates have left weekly hours at their lowest level since the data series was begun in 1951. On the positive side, the .7 April to May increase in weekly hours was .2 above the historic average.

Guarded optimism is in order as the workweek average for total manufacturing continues to gather strength. The recovery is gaining momentum as evidenced by those areas closely allied to the nationwide improvement in housing activity.

The revival in home building has also spurred activity in related industries such as Furniture & Fixtures, where weekly hours rose 1.1. Increases in overtime hours accounted for a \$.52 increase in hourly earnings. Elsewhere, the decline in interest rates has not been enough as yet to spark a turnaround in capital spending. As a result, a clear direction for much of Other Durables has not been established. Belt tightening in electrical equipment led to a rocky road for Machinery as production worker employment fell 500 while weekly hours remained unchanged. Primary Metals, on the other hand, reported a 1.0 rebound in weekly hours on the strength of increased activity in aluminum production.

The surge in consumer spending, which is embracing the nation, will be slower to make itself felt here. Average weekly hours in Trade fell .1, while during the past 10 years the average April to May change has been upward .2.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	May 2/ 1983	Apr. 3/ 1983	May 1982	May 2/ 1983	Apr. 3/ 1983	May 1982	May 2/ 1983	Apr. 3/ 1983	May 1982
TOTAL MANUFACTURING 4/	\$399.90	392.58	370.63	38.6	38.3	37.4	10.36	10.25	9.91
Durable Goods	412.26	407.29	378.89	39.3	39.2	37.7	10.49	10.39	10.05
Lumber & Wood Products	429.32	426.38	381.02	39.9	39.7	37.1	10.76	10.74	10.27
Logging & Sawmills	458.05	459.55	404.06	39.9	40.1	36.9	11.48	11.46	10.95
Veneer & Plywood	430.52	424.66	385.06	40.5	40.1	38.2	10.63	10.59	10.08
Millwork & Struct Wood	318.01	313.50	303.21	38.5	38.0	36.4	8.26	8.25	8.33
Mobile Homes	322.81	274.86	245.36	40.1	34.4	32.2	8.05	7.99	7.62
Other Wood Products	401.19	405.47	352.76	38.8	39.1	36.9	10.34	10.37	9.56
Furniture & Fixtures	249.55	247.68	196.80	35.0	34.4	24.6	7.13	7.20	8.00
Primary Metals	497.30	491.10	493.29	38.7	39.1	40.6	12.85	12.56	12.15
Fabricated Metals	378.62	370.63	361.49	38.4	37.1	37.0	9.86	9.99	9.77
Machinery	401.30	403.10	382.21	37.4	38.1	37.0	10.73	10.58	10.33
Nondurable Goods	363.91	351.91	348.07	36.5	35.8	36.6	9.97	9.83	9.51
Food & Kindred Products	293.86	295.68	303.73	33.7	33.6	35.4	8.72	8.80	8.58
Canning & Preserving	221.43	222.65	247.57	30.5	30.5	34.1	7.26	7.30	7.26
Other Food Products	401.28	396.43	373.80	38.4	37.9	36.9	10.45	10.46	10.13
Textile Mill Products	218.96	225.20	199.65	36.8	38.3	36.3	5.95	5.88	5.50
Apparel	192.74	200.39	180.20	35.3	36.5	34.0	5.46	5.49	5.30
Paper & Allied Products	542.15	515.44	488.82	41.8	40.3	40.6	12.97	12.79	12.04
Printing & Publishing	414.07	372.03	376.57	36.1	34.1	34.9	11.47	10.91	10.79
Construction 4/	506.69	532.33	519.42	31.2	31.8	33.0	16.24	16.74	15.74
Communications & Utilities 5/	446.20	441.90	436.69	38.8	38.9	40.1	11.50	11.36	10.89
Trade 5/	272.97	273.36	276.55	33.7	33.5	34.1	8.10	8.16	8.11
Wholesale Trade	359.78	366.00	368.45	36.9	37.5	38.5	9.75	9.76	9.57
Retail Trade	229.19	226.49	225.70	32.1	31.5	31.7	7.14	7.19	7.12
Banking & Insurance	264.29	258.08	236.08						
State & Local Government	301.19	306.15	289.35						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

HALF OF OREGON'S COUNTIES LOSE POPULATION

Half of Oregon's 36 counties sustained net out-migration rapid enough to cause population losses between mid 1981 and mid 1982. The losses in these 18 counties - and the slower population gains in most of the other 18 - followed job losses in the counties' basic industries.

TIM-BER-R-!! Population toppled in Oregon's timber areas, felled by extremely high unemployment. The well of new people also ran dry in much of Oregon's dryland farming and ranching country.

Harney County had the state's highest unemployment rates in 1980 and 1981, due to the 1980 shutdown of its wood products industry. Its mid 1981 to mid 1982 population loss was the most rapid in Oregon. Grant County's unemployment rate topped the state in 1982. Crook County's rates were Oregon's second highest in 1980, 1981 and 1982. These three eastern Oregon counties have depended heavily for jobs on the wood products industry.

POPULATION CHANGE
Per Thousand Residents

	Mid-Year 1981-1982	Mid-Year 1980-1981	1970-1980 Annual Ave.
Oregon	- 2	+ 8	+ 26
Harney	-61	-28	+14
Josephine	-36	+30	+51
Polk	-34	+24	+25
Gilliam	-32	-12	-13
Coos	-24	- 9	+13
Crook	-23	+ 8	+27
Grant	-22	- 6	+16
Linn	-16	+ 8	+22
Lane	-16	- 1	+25
Morrow	-16	- 3	+53
Marion	-11	+18	+31
Sherman	- 7	+16	+ 1
Benton	- 6	+20	+24
Curry	- 6	+18	+27
Baker	- 4	+ 8	+ 8
Douglas	- 3	-12	+27
Malheur	- 2	+ 9	+15
Union	- 2	+17	+21
Clackamas	0	+13	+38
Wheeler	0	-50	-20
Jackson	0	+ 7	+34
Columbia	+ 1	+10	+22
Umatilla	+ 2	+14	+27
Tillamook	+ 2	- 2	+16
Clatsop	+ 3	+ 3	+13
Lake	+ 3	+ 7	+17
Multnomah	+ 5	- 2	+ 1
Yamhill	+ 5	+13	+32
Hood River	+ 9	- 5	+18
Klamath	+10	- 6	+17
Deschutes	+11	+18	+74
Wallowa	+12	+ 3	+15
Wasco	+13	+23	+ 8
Washington	+18	+24	+45
Jefferson	+23	+21	+31
Lincoln	+30	+ 6	+32

Baker and Union Counties also sustained wood products losses, but their comparatively diversified manufacturing sectors protected them from large population losses.

Gilliam County, the only county in Oregon without a wood products industry, perennially has the state's lowest unemployment rate. Population dwindled in this wheat and cattle county throughout the 1970s. Low agricultural prices have sped this negative trend. In Sherman County, also a dry land ranching and farming area had almost no growth during the 1970s, population rose from mid 1980 to mid 1981, and then fell the following year.

In Morrow County, the state's second fastest growing county during the 1970s, population has fallen off since the completion of some large Columbia River construction projects in 1930. Malheur, a vast agricultural county with most of its population bunched near the Idaho border, also lost people.

Josephine and Curry Counties grew rapidly during the 1970s and continued to grow through mid 1981 in spite of high unemployment rates. These southwestern Oregon counties finally lost population from mid 1981 to mid 1982.

Western Oregon's most productive timber region continued to lose people. Out-migration continued from Coos, Douglas, Lane and Linn Counties as the wood products industry hit its low point in spring 1982.

Decreases in college and university enrollment and jobs, as well as wood products jobs, prompted a turnaround in Polk and Benton Counties population trends. Losses of state government employment had a similar effect in Marion County.

HOLDING ON Ten more counties sustained net out-migration, though not enough to give them over-all population losses.

Wheeler County had the state's highest unemployment rate in 1979, following the 1978 shutdown of its wood products industry. Already the least populous county, it sustained the state's most rapid population loss during the 1970s and through mid 1981. Enough out-migration continued through mid 1982 just to offset the county's natural increase.

Umatilla County, with the most diversified economy in Eastern Oregon, held on with a slight population gain. Lake County in the south-central ranching region sustained mild wood products losses followed by a mild net out-migration. Population fell in Jackson County's two largest cities from mid 1981 to mid 1982, following job losses in fruit and vegetable processing as well as wood products.

The recession gradually reached into almost all types of manufacturing and trade, taking away jobs in the Portland area. In densely populated Multnomah County the slow out-migration trend that began in the 1970s continued through mid 1982. Clackamas, Columbia and Yamhill Counties, largely rural but with much of their population close to the Metro center, experienced their first year of net out-migration after strong growth in the 1970s.

Problems in the dairy products and seafood processing industries, as well as in wood products, made jobs scarce in Tillamook and Clatsop Counties. In these north coastal counties a moderate outflow that began in 1980 continued into 1982.

HEADING FOR THE HILLS Oregonians have been heading for high ground, as the white areas of the map illustrate. All the counties on the eastern slopes of the Cascades, plus mountainous Wallowa County, received net immigration from mid 1981 to mid 1982. The trend toward development of year-round recreational facilities and retirement and vacation homes gained strength as mortgage rates began dropping in mid 1981.

Slow movement of people resumed into remote and beautiful Wallowa County. Klamath and Hood River Counties, after losing population from mid 1980 to mid 1981, hosted a slow in-migration the following year. The recession slowed but did not stop a net flow of people into Deschutes County, Oregon's fastest growing county during the 1970s. Development of the scenic area around Maupin and the new settlement at Rajneeshpuram accounted for most of Wasco County's new population.

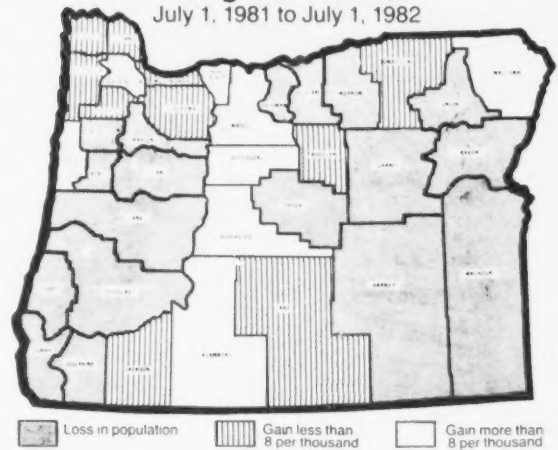
Movement of people into Jefferson County continued almost as though there were no recession. The migration augmented this scenic county's young population, which had Oregon's highest rate of natural increase.

Washington County, the location of much of Oregon's new industry, continued to grow fairly rapidly, though not nearly matching the frantic pace of the 1970s. The Tigard area absorbed almost half of the county's mid 1981 to mid 1982 population growth.

Lincoln County, the Oregon Coast's premier recreation and retirement area, was the state's fastest growing county, in spite of having the lowest rate of natural increase. After a pause in growth from mid 1980 to mid 1981, the county returned nearly to its 1970s growth rate.

CHANGE IN POPULATION Oregon Counties

July 1, 1981 to July 1, 1982



THE TRENDS: PEOPLE FOLLOW JOBS

Three distinct population trends emerge from this survey of Oregon's counties:

- People move where jobs are plentiful, and leave areas where jobs are particularly scarce.
- In dryland areas long term population growth is slow or even negative.
- In scenic areas strong population growth continues as people acquire retirement and vacation homes.

Population growth will gradually resume in most of Oregon's counties - including the timber counties - as more jobs become available. It will probably bounce back most rapidly along the "I-5 Corridor" of western Oregon. Provided economic recovery continues through this year, a moderate in-migration will again be flowing into most areas of the state by 1983.

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes
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DEPARTMENT OF HUMAN RESOURCES
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STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

Prepared by Research and Statistics Section

AUGUST 1983

JULY INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Raw -
July '83	9.9	9.5
June '83	9.1	9.1
U.S.		
July '83	9.5	9.4
June '83	10.0	10.2

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
July 1983:	100.9
June 1983:	102.0
July 1982:	102.5
July 1981:	109.0
July 1980:	109.7
July 1979:	113.0

DIFFUSION INDEX

Oregon	
July 1983:	50.8
June 1983:	57.4
May 1983:	51.2
Apr. 1983:	50.0

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
June 1983:	39.2
May 1983:	39.0
June 1982:	39.0

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland SMSA	
July 1983	291.5
Year Change	- 0.3

U.S.

July 1983 299.3

Year Change 2.4

Portland Hotline 221-4132

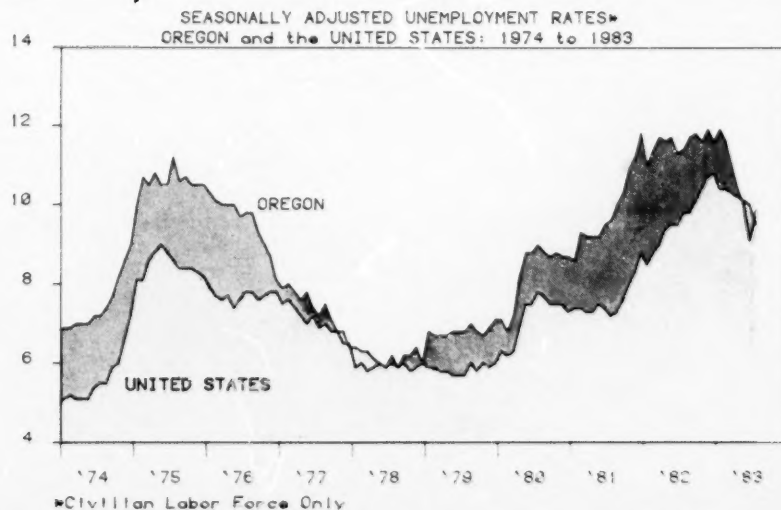
OREGON'S SLOW RECOVERY

Although still in the early stages of recovery both the nation and state appear to have turned the economic corner. In fact the national recession officially ended in November 1982 with Oregon following soon afterward. Spurred by lower interest rates, the nation's economy boomed relative to what was expected during the first half of 1983. GNP grew 2.6% during the first quarter then jumped to 8.7% in the second quarter in what was expected to be a slow upward climb. But this sudden strength posed future problems as demand for money by both public and private borrowers began to force interest rates higher.

With Oregon's economy still weak after a severe three year recession, a rise in interest rates plus the strength of America's dollar overseas may portend bad news in months to come. Oregon's three employment related indexes pointed in a negative direction in July. The unemployment rate climbed to 9.9% from June's 9.1%, the nonfarm wage & salary employment index dropped 1.1 point to 100.9, and the diffusion index dipped to just above the fifty mark (50.8) after a strong June rise.

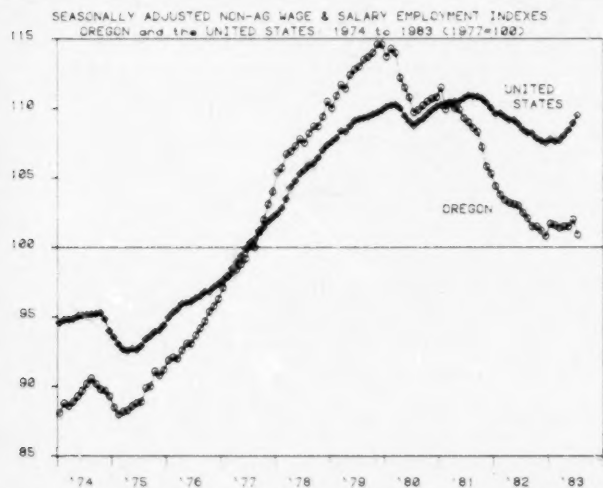
All three indexes reflected an exceptionally strong performance in June which left little room for improvement in July, a characteristically high employment growth month for the private sectors.

This year private sector wage & salary employment rose by 200 jobs between June and July. By comparison, 1978 and 1982 gains were 5,500 and 3,600 respectively. Government employment,



which typically declines as schools recess for summer, dropped more than expected. Overall the manufacturing industries gained only 300 jobs as all industries reflected weak movement.

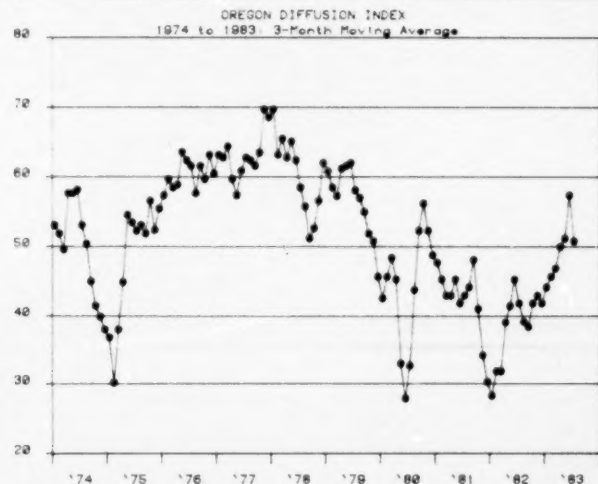
After experiencing an excellent June, Lumber & Wood Products employment refused to make further gains in July. The seasonally expected job gains of 1,300 never materialized as higher inventory levels and concerns over rising interest rates stymied the industry. For the first part of 1983 many mills ran at high production levels to fill inventories in both the wholesale and retail sectors. It now appears that the inventory pipeline is near capacity, so further employment growth will probably occur only if there is an increased demand by Wood Products consumers. Employment in Millwork & Structural Wood did increase as more firms reported production increases. But elsewhere in Lumber & Wood Products, employment stayed the same or dropped. A drop of 200 in Veneer & Plywood reflected some layoffs due to decreased demand. As interest rates go up, any increase in demand may be handled through overtime by existing employees rather than increased employment, which may portend a slow growth scenario for this industry.



Positive news did come to Oregon's timber industry as Congress passed legislation extending some timber harvesting contracts. Many companies had bid the price up on Federal timber contracts during the early part of the recession thinking that lumber prices would continue to rise and that the recession would be short. As both these assumptions proved wrong, many lumber firms were left with trees to harvest that cost more than the market value of the finished lumber. As a temporary solution, Congress extended these contracts by five years. This may lead to some short-term job losses, but should contribute to the overall health of the industry.

Total Durable Goods less wood products employment in July stayed even with June levels; however, some interesting trends were developing. Three industries with reliance on the prosperity in Lumber & Wood Products increased in employment. Although the gains were small, these increases along with the reported increased overtime reflect typical behavior of industries in the initial stages of recovery.

Stone, Clay, Glass & Concrete, and Fabricated Metals added 300 employees while Furniture and Fixtures increased by 100. A climb of 100 in Primary Metals reflected increased demand coupled with temporary decreases in electricity costs. The rest of this sector awaits a maturing of the recovery and the resultant increase in capital expenditures.



After a tremendous employment gain in June little was left for July, thus Food Products employment increased a mediocre 600. After seasonal adjustment Food employment looked like this: May: 24,000, June: 26,300, July: 22,900, with all the movement attributable to Canning and Preserving. These seasonal changes are less reflective of economic changes than of just an abnormal crop maturation and harvesting pattern.

Vacation shutdown at one firm dropped employment in both the Textile and Apparel industries. Elsewhere, Paper Products increased at their normal summertime rate and Petroleum Refining employers hired summer help. Both industries are experiencing marginal demand increases.

Nonmanufacturing employment stayed essentially even in July after discounting the public sector decline.

July's 1,100 gain in Construction actually reflected a normal seasonal gain in building construction and a drop in heavy construction. This industry remains plagued by weak consumer spending and high vacancy rates in housing for most Oregon cities. Since the beginning of 1983 heavy construction has shown the most improvement due to increased public works projects and road repair.

Lumber shipments and agricultural harvests have contributed to the health of Transportation. Only the sector Other Transportation lost ground as school buses ceased operations for the summer. Utility employment continues its downward trend as two utilities retrench after large losses in their WPPSS and Pebble Springs ventures.

Trade employment climbed past seasonal expectations on the back of the Retail employment gain. Wholesale trade actually dropped 200 employees after

seasonal adjustment, while Retail trade rose by a seasonally adjusted 500 jobs. Largest gains occurred in Food Stores (+400) aided by hiring by two large stores. Also sharing in the positive employment picture were most Other Retail Trade sectors, except Gasoline Service Stations and Eating & Drinking Places. Both these sectors experienced normal seasonal declines.

Employment gains were only half what was normally expected in Finance, Insurance, and Real Estate. The increase did come in the depressed Real Estate sector as consumers took advantage of mortgage interest rates before they began to rise.

Within the Service sector, employment dropped as private education facilities dismissed for the summer. Countering this drop were Hotel employment (+300), Auto Repair (+100), and Amusements (+200), all summer tourist related activities. Overall, Service employment lost 1,000 jobs when compared to normal July hiring.

Public Education dropped 28,200 jobs as school ended for the summer. This decline was greater than previous years due mainly to the shrinking educational budgets. Many school systems are either working with a smaller budget or are yet to receive a budget from the voters.

In summary, the nation's broad based industry recovery appears certain even though interest rates are creeping upward. However, Oregon's interest sensitive economic structure remains on the brink. If interest rates climb slightly, then retrace their steps downward, Oregon will maintain a slow growth stance. This scenario seems possible given the need for economic strength going into an election year. The key remains with interest rates though; if the national economy can sustain itself even with higher interest rates, then Oregon may be left to cope by itself.□

JACKSON COUNTY PROFILE

Jackson County is located in Southern Oregon, surrounded by rugged mountains. The Cascade Range rises to the east. On the northern border is the Umpqua Divide, a spur of the Cascade Range. The Siskiyou Mountains lie in the south and southwest part of the county. The wild and scenic Rogue River has its headwaters in the Cascades and flows through Jackson County on its way to the Pacific Ocean.

With approximately 134,000 residents, Jackson County is Oregon's sixth most populous county. It has the largest population of any county outside of the Willamette Valley. The two largest cities are Medford with 40,000 residents and Ashland with 15,000 residents. Approximately 100,000 people live in the Medford-Ashland urban area.

During the 1970's Jackson County's population grew by nearly 40,000 with an average growth rate of just under three and one half percent per year. Most of the increase occurred because of people moving to the area. After the 1980 Census, Jackson County was designated the Medford Metropolitan Statistical Area. Since 1980, the population has grown very little because of the recent economic recession.

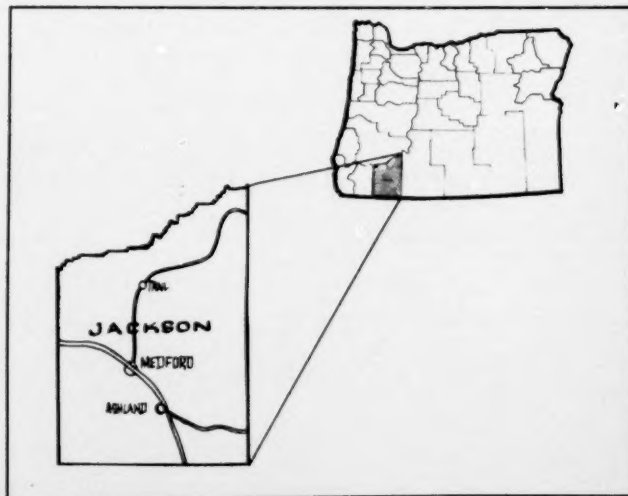
The economy of Jackson County is heavily dependent upon three industries: lumber and wood products manufacturing, agriculture, and tourism. These three segments provide a strong employment and income base for the rest of the economy when times are good. However, the local area is very susceptible to adverse trends in the national economy. In addition, the seasonal nature of these sectors results in high employment in the summer and fall, but also contributes to high unemployment in the winter.

The lumber and wood products industry comprises about 65 percent of total manufacturing employment and over 70 percent of manufacturing payroll. The heavily timbered areas of Southern Oregon supply

logs to local mills which produce lumber, plywood, and other wood products. Anticipated reductions in timber supply, competition from mills in southeastern states, and technological change may all act to reduce numbers of jobs in the wood products industry.

The primary agricultural activity in Jackson County is the growing and marketing of pears. There are about 10,000 acres of pear orchards in the Rogue Valley. Approximately 1,500-2,000 seasonal jobs stem from the harvesting, sorting, and shipping of pears each fall. A substantial part of the Rogue Valley's agri-business activity is the retailing of gift packs of pears and other agricultural products by mail order.

Tourism is Jackson County's third basic economic activity. People are attracted to the county for fishing, hunting, camping, and rafting the Rogue River. Ashland is the site of the Oregon Shakespearean Festival which performed 12 plays in three



RESIDENT OREGON LABOR FORCE

	1/ July 1983	2/ June 1983	Change	% Change	5/ July 1982
Civilian Labor Force 3/	1,346,300	1,370,700	-24,400	-1.3	1,330,800
Unemployment	127,800	125,000	+ 2,800	+2.2	142,800
Percent of Labor Force	9.5	9.1	xxx	xxx	10.7
Seasonally Adjusted Percent	9.9	9.1	xxx	xxx	11.4
Total Employment 4/	1,218,500	1,245,700	-27,200	-2.2	1,188,000

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	1/ July 1983	2/ June 1983	July 1982	Change From June 1983	July 1982
TOTAL 3/	942,200	969,300	956,900	-27,100	-14,700
Wage & Salary Employment Index 4/	100.9	102.0	102.5	xxx	xxx
Diffusion Index 5/	50.8	57.4	41.9	xxx	xxx
Total Manufacturing	190,500	190,200	190,400	300	100
Durable Goods	135,700	135,600	134,200	100	1,500
Lumber & Wood Products	64,400	64,400	57,100	0	7,300
Logging & Sawmills	33,700	33,700	30,900	0	2,800
Veneer & Plywood	18,300	18,500	16,500	- 200	1,800
Millwork & Structural Wood	6,900	6,700	5,300	200	1,600
Mobile Homes	2,000	2,000	1,400	0	600
Other Wood Products	3,500	3,500	3,000	0	500
Furniture & Fixtures	2,900	2,800	2,300	100	600
Stone, Clay, Glass, & Concrete	3,900	3,600	3,600	300	300
Primary Metals	7,400	7,300	7,900	100	- 500
Blast Furnaces, Iron & Steel	4,000	3,900	4,200	100	- 200
Nonferrous Metals	3,400	3,400	3,700	0	- 300
Fabricated Metals	9,200	8,900	9,100	300	100
Fabricated Structural Metals	3,700	3,500	3,700	200	0
Other Fabricated Metals	5,500	5,400	5,400	100	100
Machinery	14,500	14,500	16,500	0	- 2,000
Electrical Equipment & Supplies	9,300	9,400	10,200	- 100	- 900
Transportation Equipment	7,400	7,800	8,000	- 400	- 600
Instruments & Related Products	14,200	14,500	17,000	- 300	- 2,800
Miscellaneous Manufacturing	2,500	2,400	2,500	100	0
Nondurable Goods	54,800	54,600	56,200	200	- 1,400
Food & Kindred Products	25,800	25,200	27,100	600	- 1,300
Canning & Preserving	15,200	14,700	16,600	500	- 1,400
Other Food Products	10,600	10,500	10,500	100	100
Textile Mill Products	1,200	1,600	1,600	- 400	- 400
Apparel	2,400	2,800	2,400	- 400	0
Paper & Allied Products	9,700	9,600	9,600	100	100
Printing & Publishing	10,100	10,000	10,100	100	0
Chemicals & Allied Products	2,100	2,100	2,200	0	- 100
Petroleum Refining	600	500	500	100	100
Rubber & Plastic Products	2,600	2,500	2,400	100	200
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	July 1983	June 1983	July 1982	Change From	
				June 1983	July 1982
(cont.)					
Total Nonmanufacturing	751,700	779,100	766,500	-27,400	-14,800
Mining & Quarrying	1,600	1,600	1,900	0	- 300
Construction	29,800	28,700	32,400	1,100	- 2,600
Transportation, Communications, & Utilities	55,800	55,800	57,100	0	- 1,300
Transportation	32,200	32,000	32,100	200	100
Railroad	5,700	5,800	6,100	- 100	- 400
Trucking & Warehousing	17,100	16,600	16,400	500	700
Other Transportation	9,400	9,600	9,600	- 200	- 200
Communications	14,700	14,800	15,900	- 100	- 1,200
Utilities	3,900	9,000	9,100	- 100	- 200
Trade	241,800	241,200	241,500	600	300
Wholesale Trade	60,600	60,700	62,600	- 100	- 2,000
Durable Goods	36,100	36,100	36,900	0	- 800
Nondurable Goods	24,500	24,600	25,700	- 100	- 1,200
Retail Trade	181,200	180,500	178,900	700	2,300
General Merchandise	24,500	24,200	23,500	300	1,000
Food Stores	28,400	28,000	27,500	400	900
Auto Dealers & Service Stations	22,200	22,100	21,600	100	600
Other Retail Trade	106,100	106,200	106,300	- 100	- 200
Finance, Insurance, & Real Estate	64,200	64,000	65,800	200	- 1,600
Banking & Credit Agencies	23,500	23,500	23,800	0	- 300
Other Finance, Insurance, & Real Estate	40,700	40,500	42,000	200	- 1,300
Services	186,300	188,300	188,300	- 2,000	- 2,000
Hotels & Personal Services	22,100	21,800	23,100	300	- 1,000
Health Services	65,500	65,400	65,600	100	- 100
Other Services	98,700	101,100	99,600	- 2,400	- 900
Government	172,200	199,500	179,500	-27,300	- 7,300
Federal Government	29,600	29,400	30,500	200	- 900
State Government	47,100	53,600	48,100	- 6,500	- 1,000
Education	16,100	22,400	18,000	- 6,300	- 1,900
Other State	31,000	31,200	30,100	- 200	900
Local Government	95,500	116,500	100,900	-21,000	- 5,400
Education	51,600	73,500	53,800	-21,900	- 2,200
Other Local	43,900	43,000	47,100	- 900	- 3,200
Labor-Management Disputes	700	700	100	0	600

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

theaters to nearly 300,000 persons in 1982. The City of Jacksonville, the original county seat, was designated a national historic landmark in 1967. It is the site of the Jacksonville Museum (the old courthouse) and the annual Peter Britt Music Festival. Skiing is available in the winter months at Mt. Ashland. Medford is 2-1/2 hours from the Pacific Ocean and two hours from Diamond and Crater Lakes.

A level of public service employment in Jackson County is fairly high. Many federal government jobs are related to the timber industry. The headquarters for the Rogue River National Forest and the Medford District of the Bureau of Land Management are located in Medford. In addition, the U.S. Veterans Administration operates a domiciliary in White City, north of Medford. Another major government employer is Southern Oregon State College, a four-year institution offering degrees in liberal arts and professional programs, located in Ashland.

In recent years, Jackson County has experienced sizeable growth in its retirement age population. The increase in the number of persons retiring in this area has been partly the cause of the strong growth in medical services. The Medford area also serves as a regional center for health care.

Jackson County is beginning to recover from the worst economic downturn since the Great Depression of the 1930s. The slump in the market for lumber and wood products, due to high interest rates and tight money, caused employment in the wood products sector to fall by one-third. Construction employment fell by over 50 percent. As the recession continued, transportation, utilities trade and the financial sector all decreased. Reductions in revenue and more conservative government philosophy

have caused substantial job losses in the public sector. Only services managed to gain. Most of the increase was in Medical services,

In late 1982 a sharp rise in the demand for wood products, spurred by a reduction in interest rates, caused a long-awaited upswing in employment in wood products. With housing starts nationally anticipated to total 1.5 million units or more in 1983 and higher in 1984, the outlook for those years locally is much improved, unless interest rates rise again.

With such a heavy dependence on three industrial sectors, there is a great interest in the county to diversify the economic base, especially the manufacturing base. In the last two years employment has increased sharply in what is often termed "high tech" manufacturing. This growth has helped to offset some of the loss experienced in other manufacturing industries.

One issue which may make industrial expansion more difficult is the Medford area's air quality problem. The core industrial area has been designated an "Air Quality Maintenance" area by the federal government. The county also faces possible federal sanctions if it fails to implement an auto inspection and maintenance program to control carbon monoxide emissions. In the past 10 years, industry has expended millions of dollars to reduce the level of smog and suspended particles. Now, the two major air quality problems are auto emission and pollution from wood burning stoves. The Medford MSA has much hard work ahead of it to achieve needed industrial expansion and still maintain the liveability which attracts so many persons to the area in the first place.□

HOURS AND EARNINGS — GENERALLY ENCOURAGING

The trends in production worker hours and earnings were generally encouraging in June just as the employment and unemployment numbers were that month. Improving lumber prices and rebuilding of depleted inventories in combination with an increase in the number of would-be buyers who could afford to buy combined to hold Lumber & Wood Products activity at its "higher than last year" level. Compared with June 1982, this month's number of production workers was 8,800 greater and average weekly hours .5 higher. The strongest gain in average weekly hours came from Millwork & Structural Wood which posted an increase of 1.6 hours, with reduced inventories and increased demand cited as the contributing factors. Following close behind with a jump of .4 hour was Veneer & Plywood, responding to improved market conditions. Logging & Sawmills lost .8 in average weekly hours for June but gained nearly 1,600 more production workers over the month and 4,300 over the year. Many mills were running at near capacity with increased market prices for framing lumber setting the trend. A strong demand for most species of studs indicated increased building activity as opposed to remodeling work. Mobile Home production climbed to its highest level nationally in several years. The number of production workers grew by nearly 100 from May and average hourly earnings fell by \$.63 as new employees entered at lower

pay rates. A gain of 700 production workers over the year ago level further indicated that the national market conditions were having a positive effect on Oregon's mobile home industry.

The combination of low cost surplus energy, dwindling inventories, and some increasing demand for aluminum prompted action to restart dormant potlines. As a result, Primary Metals posted an increase in average weekly hours of 1.4 and a decrease in average hourly earnings of \$.06. Over-time, more business, and longer work weeks all blended together to form an increase of nearly 400 additional production workers in June (down 1,600 from June 1982) and a .9 increase in average weekly hours for Machinery.

Hourly earnings for Construction fell again (-\$.39) as the number of construction workers climbed an additional 700. Weekly hours in Street and Highway Construction rose 1.3 as gasoline taxes flowed into the state and new projects were started. While Oregon residential construction was still cautious due to interest rate uncertainties and a backlog of unsold homes, remodeling activity continued. Average weekly hours in the Masonry, Stone-work, Tile Setting, and Plastering industries posted a 5.0 hour per week increase due primarily to overtime and returns from layoff.

Food & Kindred Products gained 3,900 production workers over the May level with earlier than normal harvests and start up of the canning & preserving season. Nearly 2,800 more production workers were recorded in June 1983 than in June 1982 for Canning & Preserving. Average weekly hours made a gain of .9 while average hourly earnings fell \$.04. Fewer average hours worked in meat and dairy products and a doubling in overtime for bakery products led Other Food Products to drop .3 hours and gain \$.16 per hour. Increased overtime in Textile Mill Products boosted average weekly hours by 1.1 and average hourly earnings by \$.04, while industrial and seasonal increases combined with "rebuilding" activities to account for a .9 jump in average weekly hours for Apparel; 6.2 below June 1982 levels. Slowly improving market conditions for wood pulp, inventory declines, and increased paper production (following rising demand for corrugated cartons and lineboard as well as computer bond paper) aided in pushing average weekly hours up by .8 in Paper & Allied Products and production worker counts by nearly 400.

While there were "ups" and "downs", performance in Trade was encouraging. Increased optimism on the part of consumers concerning their purchasing power led the way to a gain of .9 in average weekly hours and 2,900 additional nonsupervisory workers for Retail Trade. Given the current trend, consumer purchase plans point to optimistic projections for the next few months. Wholesale Trade also experienced "ups" and "downs" but the "downs" ultimately won out. Photographic and Hobby Goods were the main losers in Wholesale Trade with a decline in average weekly hours of 5.4 while Hardware, Plumbing & Heating Equipment and Supplies jumped 2.4 average hours per week.

Advancements can be seen in the past month and past year in various areas; chiefly lumber & wood products and certain areas of retail trade. Given the combination of improving consumer attitudes toward the economy and "postponed" purchases with government fiscal policies, we should see continued improvement in the health of hours and earnings in the next few months. □

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	June 2/ 1983	May 3/ 1983	June 1982	June 2/ 1983	May 3/ 1983	June 1982	June 2/ 1983	May 3/ 1983	June 1982
TOTAL MANUFACTURING 4/	\$406.11	\$401.70	\$396.24	39.2	39.0	39.0	\$10.36	\$10.30	\$10.16
Durable Goods	424.00	415.91	411.44	40.0	39.8	39.6	10.60	10.45	10.39
Lumber & Wood Products	443.59	439.43	435.71	40.4	40.5	39.9	10.98	10.85	10.92
Logging & Sawmills	474.41	473.34	475.53	39.9	40.7	41.1	11.89	11.63	11.57
Veneer & Plywood	443.06	435.49	422.40	41.1	40.7	38.4	10.70	10.70	11.00
Millwork & Struct Wood	332.90	317.38	321.90	40.4	38.8	39.4	8.24	8.18	8.17
Mobile Homes	321.77	348.57	298.78	41.2	41.3	35.4	7.81	8.44	8.44
Other Wood Products	441.32	425.49	392.06	41.4	40.6	38.4	10.66	10.48	10.21
Furniture & Fixtures	292.59	279.82	267.40	37.9	35.6	35.0	7.72	7.86	7.64
Primary Metals	510.46	495.46	476.35	41.1	39.7	39.4	12.42	12.48	12.09
Fabricated Metals	389.42	396.50	361.08	39.9	40.5	36.0	9.76	9.79	10.03
Machinery	399.11	391.40	396.13	38.9	38.0	38.2	10.26	10.30	10.37
Nondurable Goods	358.16	360.14	357.75	37.0	36.6	37.5	9.68	9.84	9.54
Food & Kindred Products	296.30	303.58	300.61	35.4	35.3	35.2	8.37	8.60	8.54
Canning & Preserving	236.57	231.57	241.96	33.7	32.8	33.1	7.02	7.06	7.31
Other Food Products	411.77	408.72	389.13	38.7	39.0	38.3	10.64	10.48	10.16
Textile Mill Products	219.41	211.45	211.83	37.0	35.9	39.3	5.93	5.89	5.39
Apparel	203.31	193.31	226.03	37.1	36.2	43.3	5.48	5.34	5.22
Paper & Allied Products	565.32	547.55	532.13	42.0	41.2	41.9	13.46	13.29	12.70
Printing & Publishing	368.76	374.00	368.53	33.8	34.0	34.8	10.91	11.00	10.59
Construction 4/	490.96	494.40	552.56	32.6	32.0	34.6	15.06	15.45	15.97
Communications & Utilities 5/	469.66	449.30	428.06	39.6	38.6	39.2	11.86	11.64	10.92
Trade 5/	283.85	281.47	280.70	34.7	34.2	34.4	8.18	8.23	8.16
Wholesale Trade	380.14	381.38	371.09	37.9	38.1	38.1	10.03	10.01	9.74
Retail Trade	237.71	232.88	231.34	33.2	32.3	32.4	7.16	7.21	7.14
Banking & Insurance	271.18	271.75	241.23						
State & Local Government	303.69	304.25	292.21						

1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

2/ Preliminary

3/ Revised

4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

THE EMPLOYER'S CORNER

Twenty Job Service Employer Committees (JSEC'S) advise and critique the performance of the local employment office serving their area. In cooperation with your local JSEC, each issue of the Oregon Labor Trends will feature an article of special interest to employers.

CHECKLIST TO REDUCE COSTS OF UNEMPLOYMENT INSURANCE

1. Make one person responsible for handling all matters relating to Unemployment Insurance.
2. Maintain complete and accurate personnel records, particularly relating to disciplinary actions.
3. Review each separation with respect to its impact on your experience rating and carefully record all separation information.
4. Thoroughly check charges to your account as they are received to determine their accuracy.
5. Consider re-hiring former employees first, before filling vacancies with new employees.
6. Give close attention to all communication (particularly forms) from the Employment Division and take necessary action within the time allotted.
7. Always appear at any scheduled hearing when an appeal has been filed. To not do so may allow the appeal to fail by default.
8. GIVE ATTENTION TO EVERY CLAIM FILED AGAINST YOUR ACCOUNT AND APPEAL ALL CASES WHICH DO NOT SEEM TO BE CLEARLY COVERED BY STATUTORY PROVISIONS AND EMPLOYMENT DIVISION REGULATIONS.

UNEMPLOYMENT INSURANCE SEMINARS FOR SEPTEMBER

Medford	The Red Lion	Sept. 21, 1983
Grants Pass	Conference Center	Sept. 22, 1983

CONTACT YOUR LOCAL EMPLOYMENT OFFICE FOR FURTHER INFORMATION. □

IMPORTANT NOTICE FOR EMPLOYERS IN LABOR SURPLUS AREAS

Several Oregon jurisdictions which currently qualify as a "labor surplus area" will no longer be eligible after October 1, 1983. A new concept of 10.0% or higher unemployment rate during 1981-82 will be used rather than the "20% above national average" concept. Areas not expected to qualify are:

Benton	Balance of Clarkamas
Gilliam	less Portland City *
Jefferson	Balance of Multnomah
Malheur	less Portland City *
Morrow	Balance of Marion
Sherman	less Salem City
Washington	Balance of Polk
Eugene City *	less Salem City
Portland City *	
Salem City	

* Currently qualifying. Any firms in these four areas planning to seek federal contracts should expedite their bidding process before losing their procurement preference.

Areas expected to remain qualified are:

Baker	Klamath
Clatsop	Lake
Columbia	Lincoln
Coos	Linn
Crook	Tillamook
Curry	Umatilla
Deschutes	Union
Douglas	Wallowa
Grant	Wasco
Harney	Wheeler
Hood River	Yamhill
Jackson	Balance of Lane
Josephine	less Eugene City

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes
ATTN: R&S-LMI or Phone (503) 378-8657.

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EMPLOYMENT DIVISION
DEPARTMENT OF HUMAN RESOURCES
875 UNION STREET N.E.
SALEM, OREGON 97311

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OREGON LABOR TRENDS



STATE OF OREGON • EMPLOYMENT DIVISION • DEPARTMENT OF HUMAN RESOURCES

Prepared by Research and Statistics Section

SEPTEMBER 1983

AUGUST INDICATORS

UNEMPLOYMENT RATE

Oregon	S.A.	Raw
Aug. '83	9.8	9.1
July '83	9.9	9.5
U.S.		
Aug. '83	9.5	9.2
July '83	9.5	9.4

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	1977=100
Aug. 1983:	101.1
July 1983:	101.4
Aug. 1982:	102.1
Aug. 1981:	108.6
Aug. 1980:	109.9
Aug. 1979:	113.5

DIFFUSION INDEX

Oregon	
Aug. 1983:	54.7
July 1983:	52.3
June 1983:	57.4
May 1983:	51.2

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon	
July 1983:	38.1
June 1983:	39.1
July 1982:	37.7

CONSUMER PRICE INDEX (CPI)

1967=100

ALL URBAN CONSUMERS

Portland SMSA

July 1983 291.5

Year Change - 0.3

U.S.

Aug. 1983 300.3

Year Change + 2.6

Portland Hotline 221-4132

UNEMPLOYMENT RATE DOWN AGAIN

Oregon's unemployment rate re-established its downward trend in August following July's rise. The seasonally adjusted unemployment rate declined slightly from 9.9% to 9.8% as the state's economy resumed a slow recovery pattern after two volatile months. Total unemployment for the month dropped to 123,000, down 4,900 from July and was the lowest figure since September 1981.

Two months ago in June, the state's jobless rate dropped to 9.1% from May's 10%. Oregon's economy was moving ahead with robust national housing starts and consumer spending. But the rate climbed to 9.9% in July as record rainfall and a rise in interest rates caused a pause in Oregon's mortgage interest-sensitive economic structure. The discontinuity between the two months was linked to June's heavy hiring which robbed July of any normal seasonal gains. August hiring was more normal and brought the rate into calmer waters.

Meanwhile, the nation's civilian unemployment rate remained unchanged at 9.5% seasonally adjusted, well below the recession peak of 10.8% last December. The number of person's unemployed was 10.7 million, about equal to the combined populations of Oregon, Washington, Alaska, Hawaii, Idaho, Montana, and Nevada.

The Oregon Diffusion Index, a leading indicator of economic activity, climbed 2.4 points to 54.7 for August. Since January, this index has grown by 10.5 points with an increase in all but one month.

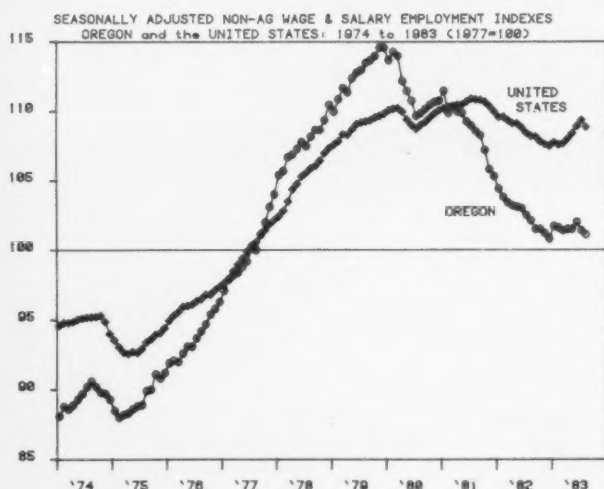
SEASONALLY ADJUSTED UNEMPLOYMENT RATES*
OREGON and the UNITED STATES: 1974 to 1983



*Civilian Labor Force Only



Nonfarm payroll employment, as measured by a survey of businesses increased by 2,800. But improvement in this job picture was marred by a rash of labor/management disputes. The 7,400 persons affected were the most since July 1978. The impact of labor negotiation activity was reflected in the nonfarm employment index which, at 101.1 was down 0.3 from July's 101.4. If the 7,400 individuals involved in work stoppages had been on the job, the index would have climbed 0.5 to 101.9. Although workers on strike are not counted in the wage and salary employment series, they are included in the total resident employment series - hence they caused no direct impact on the unemployment rate.



Steady improvement continued to come from the manufacturing industries. Most notable was the 4,700 gain in food processing and a 1,300 increase in lumber and wood products.

The increase of 4,700 in food processing was 1,700 above seasonal expectations for August. Because July was wetter than usual, more of the harvesting and processing activities were pushed into August.

Lower prices for lumber and wood products has not yet dampened employment, though vacation shutdowns have been used by some employers to keep inventories in line with orders. Employees on paid vacation during a shutdown are still counted as employed.

Fabricated Metals, with close ties to Construction, continued to show improvement (+300). This industry produces many of the metal products (duct work, window frames, plumbing fixtures, structural steel, etc.) used in housing and other construction. Much of the increase in this industry is in support of the pickup in highway and bridge construction.

Primary Metals employers also reported gains (+200) while upping plant output. The aluminum industry which last year was operating at about 50% capacity is now at 80%. Lower energy prices are a factor in this increase. There is also increased demand for steel rebar for use in highway and bridge construction.

Labor/management disputes hit hard on the Transportation Equipment industries. Total employment fell 1,100 with disputes at three major employers.

New projects funded from gasoline taxes boosted Construction employment by 1,500, a seasonally adjusted increase of 1,100. Rising mortgage rates this summer, however, have depressed home sales and construction of new houses. Rates above 13% dampen buying interest of many prospective homeowners.

A major strike at Pacific Northwest Bell forced Communication employment down by 5,700, a full 6,900 below a year ago. Combined with paring by Utility companies, a seasonally adjusted decline of 5,900 was registered for Transportation, Communication & Utilities.

Wholesale Trade posted a gain of 700, chiefly on the strength of Groceries & Related products. Retail Trade gained 500 primarily due to employment increases in Apparel & Accessory Stores as well as Eating & Drinking Places. While overall, Trade employment grew by 1,200, it was 300 less than usual for this time of year.

Declining employment (-350) in Real Estate (coming from slower activity in home buying), pushed total Finance, Insurance & Real Estate employment down by 200, more than offsetting a gain of 100 in Banking & Credit. The loss in employment was not typical for August and the net effect was a seasonally adjusted decline of 400.

Services came through in good shape (+600) despite the lethargic showing in Hotel & Personal Services. While visitor counts by the Oregon Department of Transportation were up over 1982, employment actually fell 300. Business Services claimed responsibility for most of the gain in Other Services.

Decreases of 1,000 in public education accounted for the drop in Government employment. If it weren't for the hiring of several hundred state fair workers, government employment would have dropped about 1,000 over the month.

The following table compares employment in selected industry sectors for August of 1983 and 1979. While some sectors have been devastated, others have remained almost untouched. Health services and electrical equipment & supplies have actually gained employment. It is no surprise that the hardest hit are the construction and lumber and wood products industries.

A key obstacle to sustained economic growth is posed by the resurgence of interest rates and their effect on home construction. Housing starts during the first half of 1983 were strong, increasing every month through May. A mini housing boom this spring was touched off by a decline in mortgage rates, from 13.5% to as low as 11.5% in May. In June the rates began creeping up. Increases to 13.5% in midsummer dampened the buying ability of many prospective homeowners. A token reduction back to 13% in August was expected to increase homebuilding only minimally if at all.

Most economists, singing in close harmony, agree that a slowing of the economic recovery has probably begun. Most analysts expect Oregon to show continued, though perhaps slower, growth as long as interest rates don't rise further.□

EMPLOYMENT CHANGE SINCE 1979 Selected Industries x1,000

Industry	August 1983	August 1979	Change	
			Number	Percent
TOTAL ALL INDUSTRIES	948.9	1,072.8	-123.9	-11.5
Manufacturing	196.5	243.6	- 47.1	-19.3
Lumber & Wood Products	66.6	85.0	- 18.4	-21.6
Primary Metals	7.6	11.3	- 3.7	-32.7
Fabricated Metals	9.3	13.9	- 4.6	-33.1
Machinery	14.4	17.9	- 3.5	-19.6
Electrical Equip. & Sup.	9.5	8.9	+ 0.6	+ 6.7
Instruments & Related	14.0	18.9	- 4.9	-25.9
Food & Kindred	30.1	32.1	- 2.0	- 6.2
Printing & Publishing	10.1	10.1	0.0	0.0
Nonmanufacturing	752.4	829.2	- 76.8	- 9.3
Construction	31.5	59.3	- 27.8	-46.9
Transportation	32.5	37.2	- 4.7	-12.6
Wholesale Trade	61.4	68.6	- 7.2	-10.5
Retail Trade	181.1	191.1	- 10.0	- 5.2
Finance, Ins., R.E.	64.4	71.5	- 7.1	- 9.9
Services	187.9	187.7	+ 0.2	+ 0.1
Health Services	65.9	60.3	+ 5.6	+ 9.3
Federal Government	29.7	29.9	- 0.2	- 0.7
State Government	48.9	52.7	- 3.8	- 7.2
Local Government	95.5	101.6	- 6.1	- 6.0

HOURS AND EARNINGS – LONG TERM GAINS NOTED

Oregon's economy is rebounding, but at a progressively slower rate. The nationwide upturn in construction activity has Lumber & Wood Products leading Oregon's recovery. There are pitfalls though. Speculative losses in recent years and still skittish mortgage rates have builders and their suppliers keeping a tight rein on inventories. So after being mired for three long years, giddy euphoria should not be expected. July hours and earnings mirrors this more pragmatic approach. Following excellent gains made earlier in the spring and summer, average weekly hours dropped 1.0 for Total Manufacturing. While the decline may seem significant it is not interpreted as a reversal in direction. More important, the long term gains over the year reflect a .4 increase in weekly hours with 1,800 more production workers.

Declining wood product prices due to soft demand have prompted mill operators to reduce production. This is immediately noticeable in the 2.4 drop in weekly hours for Lumber & Wood Products. A mixture of holiday, vacation and market imposed curtailments were evident in the slowdown of plant operations. The \$.09 increase in hourly earnings for Lumber &

Wood Products was largely due to increased maintenance and retooling activity done during shutdowns by higher paid millwright and maintenance workers.

To help offset what was happening in Lumber and Wood Products, Other Durable Goods employers had some good news to report. Metals manufacturers reported welcome gains in plant activity for July. Weekly hours rose in both Primary (.4) and Fabricated Metals (.6). Favorable electric rates for primary metals producers and increased product demand accounted for the longer work week average. Also of note, for only the second time since July of 1969, both metals industries were able to exceed the 40 hour workweek.

Primary Metals demand has broadened to include ferrous metals as well as the more visible aluminum industry. Tonnage at steel mills grew with the increasing workweek to supply material for bridge and highway construction projects. With several major firms in Fabricated Metals working additional overtime, hourly earnings jumped \$.21. Again, this appears in part, to be a spin off of stepped up construction activity requiring fabricated metal components for highway and bridge structures.

RESIDENT OREGON LABOR FORCE

	<u>1/</u> Aug. 1983	<u>2/</u> July 1983	Change	% Change	<u>5/</u> Aug. 1982
Civilian Labor Force <u>3/</u>	1,346,900	1,350,000	-3,100	-0.2	1,317,900
Unemployment	123,000	127,900	-4,900	-3.8	141,000
Percent of Labor Force	9.1	9.5	xxx	xxx	10.7
Seasonally Adjusted Percent	9.8	9.9	xxx	xxx	11.7
Total Employment <u>4/</u>	1,223,900	1,222,100	+1,800	+0.1	1,176,900

1/ Preliminary. 2/ Revised. 3/ Includes employed and unemployed individuals 16 years and older. Data are adjusted for multiple job-holding and commuting. 4/ Includes nonagricultural wage and salary, self-employed, unpaid family workers, domestics, farm workers, and labor disputants. 5/ Due to revised estimating procedures between December 1982 and January 1983, data for 1983 and that of previous years are not strictly comparable.

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT (By Place of Work)

INDUSTRY	<u>1/</u> Aug. 1983	<u>2/</u> July 1983	Aug. 1982	Change From July 1983	Aug. 1982
TOTAL <u>3/</u>	948,900	946,100	957,500	2,800	-8,600
Wage & Salary Employment Index <u>4/</u>	101.1	101.4	102.1	xxx	xxx
Diffusion Index <u>5/</u>	54.7	52.3	39.2	xxx	xxx
Total Manufacturing	196,500	190,900	193,600	5,600	2,900
Durable Goods	136,900	136,300	134,500	600	2,400
Lumber & Wood Products	66,600	65,300	58,100	1,300	8,500
Logging & Sawmills	34,100	33,900	30,800	200	3,300
Veneer & Plywood	19,700	19,000	17,200	700	2,500
Millwork & Structural Wood	7,100	7,000	5,500	100	1,600
Mobile Homes	2,100	1,900	1,500	200	600
Other Wood Products	3,600	3,500	3,100	100	500
Furniture & Fixtures	2,900	2,900	2,400	0	500
Stone, Clay, Glass, & Concrete	3,800	3,800	3,600	0	200
Primary Metals	7,600	7,400	7,500	200	100
Blast Furnaces, Iron & Steel	4,100	4,000	4,100	100	0
Nonferrous Metals	3,500	3,400	3,400	100	100
Fabricated Metals	9,300	9,000	9,200	300	100
Fabricated Structural Metals	3,800	3,600	3,700	200	100
Other Fabricated Metals	5,500	5,400	5,500	100	0
Machinery	14,400	14,500	16,500	- 100	-2,100
Electrical Equipment & Supplies	9,500	9,400	10,100	100	- 600
Transportation Equipment	6,300	7,400	7,700	-1,100	-1,400
Instruments & Related Products	14,000	14,200	17,000	- 200	-3,000
Miscellaneous Manufacturing	2,500	2,500	2,400	0	100
Nondurable Goods	59,600	54,500	59,100	5,100	500
Food & Kindred Products	30,100	25,400	29,300	4,700	800
Canning & Preserving	19,700	14,800	19,100	4,900	600
Other Food Products	10,400	10,600	10,200	- 200	200
Textile Mill Products	1,500	1,300	1,800	200	- 300
Apparel	2,700	2,400	2,800	300	- 100
Paper & Allied Products	9,700	9,700	9,800	0	- 100
Printing & Publishing	10,100	10,100	10,100	0	0
Chemicals & Allied Products	2,100	2,100	2,100	0	0
Petroleum Refining	600	600	500	0	100
Rubber & Plastic Products	2,500	2,600	2,400	- 100	100
Leather Products	300	300	300	0	0

NONAGRICULTURAL WAGE & SALARY EMPLOYMENT
(By Place of Work)

INDUSTRY	Aug. 1983	July 1983	Aug. 1982	Change From	
				July 1983	Aug. 1982
(cont.)					
Total Nonmanufacturing	752,400	755,200	763,900	-2,800	-11,500
Mining & Quarrying	1,800	1,600	2,100	200	- 300
Construction	31,500	30,000	32,500	1,500	- 1,000
Transportation, Communications, & Utilities	50,200	56,000	56,800	-5,800	- 6,500
Transportation	32,500	32,400	31,900	100	600
Railroad	5,700	5,800	6,000	- 100	- 300
Trucking & Warehousing	17,400	17,200	16,500	200	900
Other Transportation	9,400	9,400	9,400	0	0
Communications	9,000	14,700	15,900	-5,700	- 6,900
Utilities	8,700	8,900	9,000	- 200	- 300
Trade	242,500	241,300	241,800	1,200	700
Wholesale Trade	61,400	60,700	62,300	700	- 900
Durable Goods	36,200	36,100	36,600	100	- 400
Nondurable Goods	25,200	24,600	25,700	600	- 500
Retail Trade	181,100	180,600	179,500	500	1,600
General Merchandise	24,700	24,500	23,600	200	1,100
Food Stores	28,100	28,400	27,100	- 300	1,000
Auto Dealers & Service Stations	22,500	22,400	21,600	100	900
Other Retail Trade	105,800	105,300	107,200	500	- 1,400
Finance, Insurance, & Real Estate	64,400	64,600	65,400	- 200	- 1,000
Banking & Credit Agencies	23,700	23,500	23,700	200	0
Other Finance, Insurance, & Real Estate	40,700	41,100	41,700	- 400	- 1,000
Services	187,900	187,300	187,700	600	200
Hotels & Personal Services	21,400	22,000	22,900	- 600	- 1,500
Health Services	65,900	65,700	66,100	200	- 200
Other Services	100,600	99,600	98,700	1,000	1,900
Government	174,100	174,400	177,600	- 300	- 3,500
Federal Government	29,700	29,600	30,300	100	- 600
State Government	48,900	48,700	48,400	200	500
Education	17,400	17,700	17,600	- 300	- 200
Other State	31,500	31,000	30,800	500	700
Local Government	95,500	96,100	98,900	- 600	- 3,400
Education	51,600	52,300	52,500	- 700	- 900
Other Local	43,900	43,800	46,400	100	- 2,500
Labor-Management Disputes	7,400	700	100	6,700	7,300

1/ Preliminary

2/ Revised

3/ Includes full and part-time nonfarm wage and salary workers in pay periods including the 12th of the month. Proprietors, self-employed, private household workers and armed forces excluded. NOTE: Estimated in cooperation with the U.S. Bureau of Labor Statistics and Employment and Training Administration. All data are based on the 1972 Standard Industrial Classification (SIC) codes as amended by the 1977 supplement.

4/ Total nonagricultural wage and salary employment, seasonally adjusted, and indexed to 1977. Data on the earlier Index (1972 = 100) can be converted to the 1977 base period by multiplying by a factor of .8264, the ratio between 1972's annual average employment (774,300) and that of 1977 (936,900).

5/ The diffusion index is the percentage of a selected group of 43 industries showing an increase in seasonally adjusted employment. Half of those industries showing no significant change (less than 1/2 of 1%) are counted as increasing.

Unseasonably wet weather prompted a lull in the canning season as weekly hours fell 1.2 in the Food and Kindred Products sector for July. Though weather was a significant factor, such changes are not that uncommon. Elsewhere, the seasonal slowdown in recreational Apparel brought weekly hours down 1.2. Average hourly earnings in both Textiles and Apparel fell \$.59 and \$.32 respectively, due to the annual shutdown of plant operations by a major employer.

The good news in nonmanufacturing came bursting through in Oregon's Construction industry. Weekly hours rose by .7 while production worker employment climbed nearly 2,000 in July. Again activity centered on Heavy Construction with the increase coming from road and bridge construction projects.

The performance was lackluster for much of the rest of nonmanufacturing. Communications & Utilities reported a 1.0 drop in weekly hours, while hourly earnings rose \$.08. Production worker employment also fell 200 for July. The movement in hours and employment is an effort by utilities to adjust to losses incurred from participation in power plant construction projects. Trade on the other hand was a mixture of ups and downs, with earnings climbing while the average workweek backslid. Nonsupervisory employment climbed 1,500 in Retail Trade pushing weekly hours lower with the addition of part-time employees. Wholesale Trade, on the other hand, saw weekly hours and employment fall. Most major wholesale suppliers are maintaining inventories at minimum levels so as not to get caught in any future interest rate crunch.□

AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	July 2/ 1983	June 3/ 1983	July 1982	July 2/ 1983	June 3/ 1983	July 1982	July 2/ 1983	June 3/ 1983	July 1982
TOTAL MANUFACTURING 4/	\$396.24	\$403.12	\$378.89	38.1	39.1	37.7	\$10.40	\$10.31	\$10.05
Durable Goods	413.51	421.60	398.04	38.9	40.0	38.2	10.63	10.54	10.42
Lumber & Wood Products	415.76	438.46	414.72	37.9	40.3	38.4	10.97	10.88	10.80
Logging & Sawmills	458.64	465.66	459.68	39.1	39.8	40.5	11.73	11.70	11.35
Veneer & Plywood	392.76	443.06	389.01	36.0	41.1	35.3	10.91	10.78	11.02
Millwork & Struct Wood	307.94	332.90	317.18	36.4	40.4	38.4	8.46	8.24	8.26
Mobile Homes	271.47	321.77	277.06	36.1	41.2	36.6	7.52	7.81	7.57
Other Wood Products	416.59	424.11	362.10	39.6	40.2	35.5	10.52	10.55	10.20
Furniture & Fixtures	297.28	292.59	256.28	37.3	37.9	33.9	7.97	7.72	7.56
Primary Metals	518.33	512.12	478.28	41.7	41.3	39.3	12.43	12.40	12.17
Fabricated Metals	401.98	387.65	369.00	40.4	39.8	36.0	9.95	9.74	10.25
Machinery	410.57	399.11	384.13	39.9	38.9	36.9	10.29	10.26	10.41
Nondurable Goods	351.61	357.05	332.70	36.1	37.0	36.4	9.74	9.65	9.14
Food & Kindred Products	284.54	293.82	277.89	34.2	35.4	35.4	8.32	8.30	7.85
Canning & Preserving	223.87	238.97	225.10	31.8	33.8	33.9	7.04	7.07	6.64
Other Food Products	407.55	402.48	395.90	39.0	38.7	38.7	10.45	10.40	10.23
Textile Mill Products	198.11	219.41	191.76	37.1	37.0	37.6	5.34	5.93	5.10
Apparel	185.24	203.31	174.25	35.9	37.1	33.9	5.16	5.48	5.14
Paper & Allied Products	539.98	565.32	512.15	40.6	42.0	40.2	13.30	13.46	12.74
Printing & Publishing	378.42	368.76	364.09	34.0	33.8	33.9	11.13	10.91	10.74
Construction 4/	502.83	490.96	578.03	33.3	32.6	34.8	15.10	15.06	16.61
Communications & Utilities 5/	460.88	469.66	426.02	38.6	39.6	38.8	11.94	11.86	10.98
Trade 5/	287.73	283.85	284.76	34.5	34.7	34.6	8.34	8.18	8.23
Wholesale Trade	384.16	380.14	375.06	37.7	37.9	38.0	10.19	10.03	9.87
Retail Trade	241.16	237.71	235.83	32.9	33.2	32.8	7.33	7.16	7.19
Banking & Insurance	270.91	264.61	244.37						
State & Local Government	339.37	303.69	324.54						

- 1/ Figures are average gross hours and earnings of full and part-time workers worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.
- 2/ Preliminary
- 3/ Revised
- 4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.
- 5/ Data for nonsupervisory employees only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.

YAMHILL COUNTY PROFILE

Yamhill County, one of the Oregon Territory's original districts, is named for its native Indian tribe. The western part of the county is a heavily forested stretch of the Coast Range. On the eastern side lies the partially wooded plain of the Willamette Valley.

The county covers 718 square miles, 0.7% of Oregon's land area. Its 57,000 residents are 2.1% of the State's population.

Over half of Yamhill County is forested, primarily with Douglas Fir and Western Hemlock. The Willamina-Sheridan area is the home of most of the county's lumber and plywood mills, although independent logging outfits are dispersed throughout the county.

The hub city of Mc Minnville has a diversified manufacturing base which includes a steel rolling mill and some high-tech manufacturing, as well as modular home factories and food processing plants.

Agriculture is the life blood of the many small east-county towns. Dayton is a major food processing center. The farmers grow a very wide variety of vegetables, fruits, nuts, berries and grains. Lately, nurseries and vineyards have added to the beauty of the landscape. Poultry and eggs and dairying are also important. A third of Yamhill County is in cropland, and another 6% in pasture.

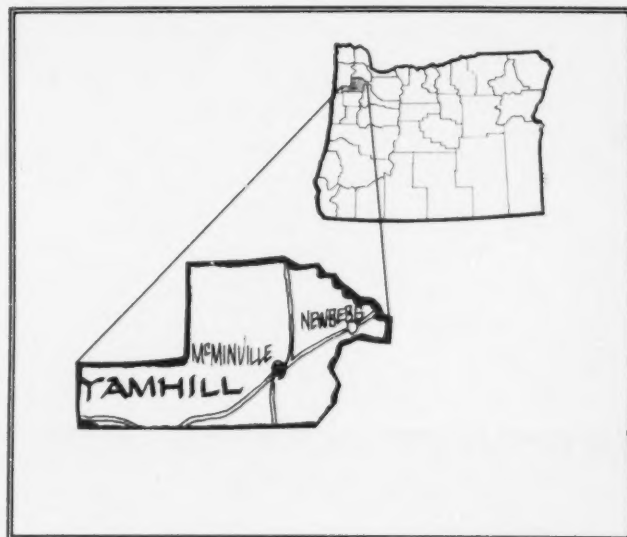
The growing city of Newberg counts a paper mill and a dental equipment manufacturer among its large employers. Like Mc Minnville, it is the home of an acclaimed private college.

The northeast county fringe, including Newberg, has strong economic ties to Washington County, the location of much of Oregon's new industrial growth. About 18% of Yamhill County's work force commutes to the Metro area, qualifying Yamhill to be included in the newly defined Portland PMSA.

The county's wood products industry was hit hard and early by the recession, its largest mill closing permanently in spring 1980. The construction industry also went from boom to bust. Recovery in these industries has been shaky. Non-wood manufacturing has held up well during the hard times for the most part. The traditional food processing and paper industries actually added jobs during the recession.

Yamhill County, unlike the other mid-Willamette Valley counties, did not lose population, even during the depths of the recession. This has helped keep employment relatively stable in trade, services and public education. A growth trend underlies the cyclical ups and downs, particularly in services.

The county's overall job losses were a bit lighter than Oregon's during the recession. Its economy, like the state's, is going through a long,



arduous process of turning around. Yamhill's unemployment rate has remained near Oregon's - a bit higher in the winter and lower in the summer.

Yamhill County typifies some of Oregon's most pleasant features. Its rural and small town environment, together with its proximity to the metro center, will continue to make it an attractive place to live and work.□

NEW PUBLICATIONS FROM RESEARCH AND STATISTICS

The following recent releases are now available upon request. There is no charge but supplies may become exhausted. Please direct all requests to:

Employment Division R&S
875 Union St NE
Salem OR 97311

Annual Economic Report - 1983 State of Oregon

This 136 page book includes a review and outlook of Oregon's economic situation. Population characteristics, labor force trends, and related economic analysis are also featured.

Oregon Labor Market Information Directory

In these 18 pages are lists of publications and names, addresses, and phone numbers of economic data sources in the Employment Division's Research and Statistics section. There are also sources of related information available through other government as well as private organizations.

THE EMPLOYER'S CORNER

Twenty Job Service Employer Committees (JSEC's) advise and critique the performance of the local employment office serving their area. In cooperation with your local JSEC (pronounced JaySek), each issue of the Oregon Labor Trends features an article of special interest to employers.

Some employers are omitting the weeks of work on the Employment Division form 132 (quarterly listing of wages and weeks of work). By not filing in this item the employer does not save any time or labor because the information must still be collected, only instead, via a special request. Thus operating and processing costs are increased for both the employer and the Employment Division.

"Weeks of work," as reported on form 132, is one of the tools used in detecting fraudulent unemployment insurance claims against the employer. The number of weeks worked reported by the claimant is compared to that reported by the employer.

Late filing penalties are now being issued by the Employment Division to help recoup extra costs in processing incomplete forms. The Employment Division asks for only information that is necessary for an efficient unemployment insurance program. "Thank you" to the majority of employers who do fill in all the items within the time allotted.

Unemployment Insurance Seminars for October

October 4	Ontario
October 5	La Grande
October 6	Baker
October 11	Redmond
October 12	Bend
October 18	Oregon City

Employee Motivation Seminar

October 20, 1983 Portland/Vancouver.

CONTACT YOUR LOCAL EMPLOYMENT OFFICE FOR FURTHER INFORMATION.

RESIDENT OREGON LABOR FORCE AND UNEMPLOYMENT BY AREA

	Aug. 1983			
	Civilian Labor Force	Total Employment	Unempl.	Rate
STATE OF OREGON	1,346,900	1,223,900	123,000	9.1
Eugene MSA	130,000	118,100	11,900	9.2
Medford MSA	65,340	59,350	5,990	9.2
Portland MSA	662,100	603,700	58,400	8.8
Salem MSA	135,100	125,200	9,900	7.3
Baker	8,020	6,900	1,120	14.0
Benton	32,810	31,010	1,800	5.5
Clatsop	16,000	14,900	1,100	6.9
Columbia	16,420	14,970	1,450	8.8
Coos	28,360	24,430	3,930	13.9
Crook	5,980	5,520	460	7.7
Curry	7,770	7,170	600	7.7
Deschutes	33,680	30,630	3,050	9.1
Douglas	39,690	35,650	4,040	10.2
Gilliam	930	890	40	4.3
Grant	3,550	3,310	240	6.8
Harney	3,630	3,210	420	11.6
Hood River	9,170	8,200	970	10.6
Jefferson	6,050	5,580	470	7.8
Josephine	24,500	22,120	2,380	9.7
Klamath	27,520	25,210	2,310	8.4
Lake	3,950	3,750	200	5.1
Lincoln	20,010	18,460	1,550	7.7
Linn	40,130	36,200	3,930	9.8
Malheur	14,260	12,750	1,510	10.6
Morrow	5,630	5,190	440	7.8
Tillamook	10,250	9,350	900	8.8
Umatilla	31,050	27,750	3,300	10.6
Union	11,550	10,710	840	7.3
Wallowa	4,170	3,910	260	6.2
Wasco-Sherman	12,480	11,190	1,290	10.3
Wheeler	690	650	40	5.8
Yamhill	29,470	26,780	2,690	9.1

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: R&S-LMI or Phone (503) 378-8657 or toll free 1-800-237-3710 ext. 8-8657.

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